



Unitil Service Corp.

October 11, 2000

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston MA 02110

Re: Fitchburg Gas and Electric Light Co., D.T.E. 00-66

Dear Ms. Cottrell:

Enclosed please find Fitchburg Gas and Electric Light Company's Responses to the Department's Second Set of Information Requests, the DOER's First Set of Information Requests and the Attorney General's First Set of Information Requests in the above listed docket. These questions and oral responses thereto were all presented to the Company at the technical session held at the Department's offices on September 27, 2000.

In addition, enclosed herein are copies of the Company's initial brief and reply brief in docket number DTE 99-110. These are in response to a question raised in the technical session by the DOER relative to mitigation efforts undertaken by the Company.

During the technical session, questions were raised about the Company's oil and natural gas prices. In response to DTE 1-1, the Company provided an updated data set. During the technical session, the Company recommended that the three Companies seeking to implement the SOS Fuel Adjustment jointly review the data set and agree on a common data set. The Company has contacted both MECo and NStar and understands they are in agreement that a common data set should be used. Substantial progress has been made. The Company currently expects that the three Companies will be able to reach agreement on a common data set and common monthly fuel indexes by the end of this week.

According to the schedule established by the Department in this proceeding, parties were to file comments by October 10, 2000 to the Company's proposal to implement a surcharge to recover the fuel costs associated with exceeding the fuel trigger. FG&E believes that its initial filings in this matter, sponsored by Mark Collin of Unitil and Scott J. Mueller of LeBoeuf, Lamb, Greene & MacRae suffice to establish its position. FG&E reserves the right to reply.

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Director, Regulatory Services

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Mary L. Cottrell
DTE 00-66
October 11, 2000
Page 2

Thank you for your assistance with this matter.

Very truly yours,



Karen M. Asbury
Director, Regulatory Services

Enclosure

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July 19, 2000

VIA HAND DELIVERY

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Company, D.T.E. 99-110

Dear Ms. Cottrell:

Enclosed please find an original and four copies of the Initial Brief of Fitchburg Gas and Electric Light Company in the above docket.

Please file same. Thank you for your assistance with this matter.

Very truly yours,

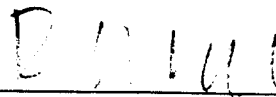
Patricia M. French
Patricia M. French

cc: William Stevens, Hearing Officer
Joseph Rogers, Assistant Attorney General

CERTIFICATION

I, Patricia M. French, certify that I have caused a copy of the within Initial Brief of Fitchburg Gas and Electric Light Company to be served on each of the individuals on the service list on file with the Secretary of the Department of Telecommunications and Energy.

Dated at Boston, Massachusetts, this 19th day of July, 2000.

A handwritten signature in dark ink, appearing to read "P. M. French", is written over a horizontal line.

Patricia M. French

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY) D.T.E. 99-110
ELECTRIC COST RECONCILIATION ADJUSTMENTS)

RECEIVED
JUL 19 1999
D.T.E. 99-110

INITIAL BRIEF
OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

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July 19, 2000

TABLE OF CONTENTS

I.	INTRODUCTION	1
A.	BACKGROUND AND PROCEDURAL HISTORY	1
B.	KEY ISSUES IN THIS PROCEEDING.....	3
II.	STANDARD OF REVIEW	4
III.	BACKGROUND AND PROCEEDINGS	8
A.	RESTRUCTURING THE INDUSTRY	8
B.	ARTHUR ANDERSEN AUDIT	11
IV.	THE DEPARTMENT SHOULD APPROVE FG&E'S 1999 ELECTRIC RECONCILIATION ADJUSTMENT FILING	13
A.	THE METHODOLOGY, STRUCTURE AND CONTENT OF EXH. FGE-1	13
1.	FG&E's Transition Cost Reconciliation is Lawful and Appropriate and Should Be Approved	13
a.	<u>The Company's FAS 109 Regulatory Asset is Reasonably Calculated</u>	15
b.	<u>The Return on the Fixed Component Accords with the Plan</u>	16
c.	<u>FG&E is Entitled to a Return on Plant Additions</u>	17
d.	<u>The Administrative Costs to Implement Restructuring are Reasonable Transition Costs not Related to Distribution Operations</u>	19
2.	FG&E's Standard Offer Cost Reconciliation Is Consistent With The Plan and Should Be Approved.....	24
3.	FG&E's Default Service Charge Reconciliation Is Consistent With The Plan and Should Be Approved.....	28
4.	FG&E's Transmission Cost (External/Internal) Reconciliation is Consistent With its Plan and Should be Approved.....	29
V.	RECOVERY OF STATE TAX IN SEABROOK SURCHARGE	31
VI.	BRIEFING QUESTIONS	35
VII.	CONCLUSION.....	36

I. INTRODUCTION

This proceeding was initiated by the Department of Telecommunications and Energy (“Department”) to investigate the 1999 annual electric rate reconciliation filing (Exh. FGE-1) of Fitchburg Gas and Electric Light Company (“FG&E” or “Company”). The filing, made on December 22, 1999, reconciles costs recovered by the Company through five separate adjustment mechanisms. Exh. FGE-1. Each adjustment mechanism was approved by the Department in its Order approving, with modifications, FG&E’s Restructuring Plan (“the Plan”). See Fitchburg Gas and Elec. Light Co., D.T.E. 97-115/98-120 (Jan. 15, 1999). FG&E had filed its Plan pursuant to St. 1997, ch. 164 (“the Act”). The mechanisms described in the Plan and detailed in the filing are: Transition Cost Adjustment, Standard Offer Service Revenue Reconciliation Adjustment, Default Service Charge Reconciliation, and External Transmission Charge and Internal Transmission Service Cost Adjustment. See Exh. FGE-1. Each is described in detail in Part IV, below. These mechanisms, along with the costs included, were presented to the Department, and approved by the Department for implementation, in the Company’s previous reconciliation filings. See Exh. FGE-2, Exh. FGE-3, Exh. FGE-4.

A. BACKGROUND AND PROCEDURAL HISTORY

In November of 1997, Governor Paul Cellucci signed the Act into law. The Act was designed to introduce transition in the electric industry by fostering competition in wholesale electric markets and the choice of electric suppliers for retail customers. While the Act instigated a whirlwind of restructuring and regulatory activity in the Commonwealth, it was not the beginning of efforts to restructure electric markets. Prior to its enactment, the Department had undertaken to study and test the economic and market concepts and ratepayer benefits that a

competitive wholesale electric market might hold¹ With the passage of the Act, FG&E was required, pursuant to clear mandates, to provide retail access to customers for which it previously had been the exclusive supplier of electricity. M.G.L. c. 164, sec. 1(B).

The Plan filed by FG&E pursuant to the Act included specific processes to restructure FG&E's electric division operations, to unbundle rates, to accommodate information transfer to a new independent transmission system operator (the New England ISO), to recognize billing and information needs of competitive suppliers seeking retail load in FG&E's franchised service territory, and to divest completely its power portfolio. Exh. DTE-4-1. The Plan established a comprehensive standard offer service following the state-mandated date of retail access, in order to protect consumers from the pricing volatility anticipated in new electric markets. Exh. DTE-4-1. The Plan also accommodated the Act's requirements that electric distribution companies provide default service (even though distribution companies were stripped of the right to sell electric power). FG&E arranged through its Plan to make default service available to all new customers and those who have left the standard offer for competitive energy alternatives. Exh. DTE-4-1; M.G.L. c. 164, sec. 1B(d). The compliance tariffs that implemented the Plan and established the reconciliation mechanisms were approved by the Department on February 3, 1999.²

¹ Electric Restructuring, D.P.U. 95-30 (1995) ("The Department's overall goal . . . is to develop an efficient industry structure and regulatory framework that minimizes costs to consumers while maintaining safe and reliable electric service with minimum impact on the environment."); Model Rules and Legislative Proposals, D.P.U. 96-100 (1996) ("Key to this goal is the deregulation of generation and the creation of open, non-discriminatory access to transmission and distribution systems.").

² Because retail access took place on 3/1/98, a year prior, FG&E made its first reconciliation on 5/5/99. Exh. FGE-2. This filing was approved by the Department on 5/31/99. In order to accommodate the Restructuring Act's requirements that FG&E's rates reflect a 15% discount on September 1, 1999, FG&E made a July 30, 1999 filing in order to have tariffs on file to implement the discount on a timely basis. Exh. FGE-3. This July 30 filing was supplemented as a result of discussions with Department staff and the supplemental materials were stamped approved by the Department on August 27, 1999. Exh. FGE-4; Exh. FGE-5.

The filing under scrutiny in this proceeding, Exh. FGE-1, is the third reconciliation since the filing of FG&E's compliance tariffs in March of 1999. It is the first investigation of an FG&E annual electric rate adjustment mechanism filing since the completion of the Department-initiated formal audit of FG&E, conducted by the Department's independent auditors, the consulting and accounting firm of Arthur Andersen. Exh. AG-1; Exh. AG-2.

Following the issuance of an order of notice, the Department held a procedural conference on February 23, 2000. Fitchburg Gas and Elec. Light Co., D.T.E. 99-110 (Jan. 5, 2000). The Department instituted a formal discovery schedule for the proceeding. During that discovery period, both the Attorney General and the Department issued information requests regarding the Company's December 22, 1999 filing. In April and May, the Attorney General filed the direct, supplemental, and rebuttal testimony of David J. Effron. The Company issued its own discovery regarding the various aspects of the Attorney General's filed case. Four days of evidentiary hearings were held at the Department's offices in Boston, at which time the Company presented the sworn, in-hearing direct testimony of Karen Asbury, Director of Regulatory Services for Unitil Service Corp.; Mark Collin, Vice President and Treasurer of Unitil Corporation and FG&E's Treasurer; and, Barbara K. Smith, Director of Accounting Services for Unitil Service Corp. and the Controller of FG&E. The Department also accepted the testimony under oath of its independent auditors in support of its report concerning FG&E's transition cost, which testimony was duly cross examined by the Attorney General.

B. KEY ISSUES IN THIS PROCEEDING

The singular issue in this proceeding is whether the filing is consistent with the Plan approved by the Department and substantially consistent with the Restructuring Act. Other issues that could be considered subset to this issue, primarily those raised by the Attorney

General during this proceeding, are also set forth in this brief. There are six such issues. The first concerns the appropriate level of FAS 109 in FG&E's transition cost; the second concerns whether FG&E should recover a return on its fixed investment during the first year of retail access consistent with its approved Plan. The third issue is whether FG&E should be permitted to earn a return on the post 1995 capital additions made to its generating units. The fourth is whether FG&E may recover transaction and administrative costs associated with FG&E's divestiture or may recover administrative and general costs. The fifth issue is whether FG&E can recover the power supply management and administrative costs related to the provision of standard offer and default service. In particular, FG&E has included for recovery in its transition cost, standard offer service cost and default service cost, as appropriate, amounts associated with the amortization of deferred costs associated with restructuring its operations consistent with the Department's mandate and the Act for retail choice, open access, provision of standard and default service, etc., incurred since 1997. The sixth and final issue is whether, in accepting the Arthur Andersen adjustment to reflect a state tax benefit in the opening balance of the Seabrook Regulatory Asset, the Seabrook Amortization now reflects the amortization intended under a 1985 Settlement provision.

II. STANDARD OF REVIEW

Based on the Department's authority, statutory construction, and the Department's prior regulatory precedent, FG&E believes that the Department should ensure that FG&E's reconciliation mechanisms recover all reasonable costs that are consistent with the mandates of the Act constitutionally interpreted. In addition, the Department should confirm that, where the Act does not either grant or prohibit recovery of the costs included by FG&E in the mechanisms, such reasonably incurred costs are appropriate for recovery if they

are substantially consistent with the Plan and G.L. c. 164.

For many electric companies,³ the substantive review of reconciling costs was conducted at the federal level, with the costs passed on to the retail affiliates, and ultimately retail customers, in connection with multi-jurisdictional restructuring settlements. See New England Power Co., FERC Docket No. ER00-925-000 (1/4/00); FERC Docket No. ER99-4568-00 (10/4/99); Montaup Elec. Co., FERC Docket ER99-1813-000 (4/1/99). In spite of the absence of a stated standard of review from the Department, the standards articulated in connection with key restructuring issues are applicable because the Department possesses a broad grant of authority to regulate the ownership and operation of regulated electric and gas companies in the Commonwealth. G.L. c. 164, sec. 76; Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111, at 17 (1998); Boston Edison Co., D.P.U. 97-113 (1998).⁴

The Department's authority was supplemented by the Act. Boston Edison Co., D.P.U./D.T.E. 96-23, at 9 (1998). The Act intended for companies like FG&E to file a plan for restructuring its operations to allow for the introduction of retail competition in generation supply, in accordance with the provisions of G.L. c. 164, sec. 1A(a). The Department recognizes that its implementation of the Act must be done "with a consideration 'of the statute's purpose and history.'" Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 14 (1998), citing Sterilite Corp. v. Continental Casualty Co., 397 Mass. 837, 839 (1986).

When reviewing a company's proposal to sell its generating units, the

³ FG&E is a gas company under Massachusetts law, although it has electric distribution operations.

⁴ The Department, as an agency created by the will of the legislature, has only the authority delegated by the General Court. Hartford Accident & Indemnity Co. v. Commissioner of Ins., 407 Mass. 23, 27, 551 N.E.2d 502, 504 (1990); Metropolitan Dist. Comm'n v. Department of Pub. Utils., 352 Mass. 18, 26, 224 N.E.2d 502, 508 (1967). The Department's authority regarding gas companies is somewhat more restrictive. For instance, while statutory authority was granted for the electric fuel clause adjustment, no such organic authority exists for the Department's gas reconciliation mechanism, the cost of gas adjustment clause.

Department considers the consistency of the proposed transaction with the company's restructuring plan, or as appropriate the company's restructuring settlement, and the Act. See, e.g., Boston Edison Co., D.T.E. 97-113 (1998); Massachusetts Elec. Co., D.T.E. 96-25 (Phase II) (1997); Massachusetts Elec. Co., D.P.U./D.T.E. 97-94 (1998); Cambridge Elec. Light Co., Commonwealth Elec. Co., Canal Elec. Co. Asset Divestiture, and Eastern Edison Co. and Montaup Divestiture, D.T.E. 98-78/83 (1998).⁵ The Department noted that "[a] more limiting interpretation would defeat the Act's purposes and fail to give 'a fair consideration of the conditions attending its passage.'" D.P.U./D.T.E. 97-111 at 14, citing Fickett v. Boston Fireman's Relief Fund, 220 Mass. 319, 320 (1915). Once the Department has approved a company's restructuring plan or settlement as consistent or substantially compliant with the Act, the Department approves the proposed ratemaking treatment of the proceeds of a divestiture if the proposed treatment is consistent with the approved restructuring plan or settlement.

The Department evaluates standard offer proposals in terms of their effect on the development of competitive generation markets, as well as for compliance with the Act's specific requirements with regard to, inter alia, rate reduction and competitive procurement. G.L. c. 164, sec. 1B(b); see Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120, at 20. The Department's standard ensures that standard offer service will "facilitate the transition to retail competition by establishing a schedule of generation or supply rates that increase over time, thereby encouraging customers to move into the competitive market during the transition period of standard offer service." Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120 at

⁵ The Act provides that all proceeds from any such divestiture of generating facilities "that inure to the benefit of ratepayers, shall be applied to reduce the amount of the selling electric company's transition costs." G.L. (continued...)

16, 20.

Finally, the Department has repeatedly recognized that its interpretation of the Act must ensure, at a minimum, that companies subject to it are not precluded from recovering the transition costs explicitly allowed them by the Act. Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 38. The Act must be interpreted, within all reasonable parameters, “so as not to render it contrary to the terms of the Constitution.” See Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 38, citing Federal Power Comm’n v. Hope Natural Gas Co., 320 U.S. 591, 605 (1944), Commonwealth v. S.S. Kresge Co., 267 Mass. 145, 148 (1929); Hayes v. City of Brockton, 313 Mass. 641, 645-6 (1943).

A few more standards are worthy of note as being implicated in this proceeding. For instance, as detailed below, the Attorney General seems to allege that the Plan does not contain line items for certain recoveries, and therefore, FG&E is not entitled to recover such costs through its reconciliation mechanisms. See, e.g., AG Initial Br. at 8. Of particular import in this proceeding, FG&E seeks recovery of reasonable costs associated with implementing restructuring at the behest of the General Court and the Department. See, Part IV(A)(1)(d), supra. The Department reviews the prudence of a company’s actions by determining if, based on all it knew or should have known at the time, the company’s actions were reasonable and prudent in light of the circumstances that then existed. Boston Edison Co., D.P.U. 906 at 15; Boston Gas Co., D.P.U. 93-60 at 24 (1995). “Where the Department determines that the [Company’s] actions were reasonable and prudent, the costs associated with those actions generally qualify for recovery from ratepayers.” Model Rules, D.P.U. 96-100 at 260.

c. 164, sec. 1A(b)(3).

As a final matter, particularly important to the Seabrook state tax issue discussed in Part IX supra, the Department is bound by the “substantial evidence rule.” See G.L. c. 30A, sec. 11(2); Alexander J. Cella, *Administrative Law and Practice*, 38 Mass. Practice Series, Ch. 6, sec. 245. The substantial evidence rule permits the Department to consider any evidence if it is the kind of evidence “a reasonable mind might accept as adequate to support a conclusion.” Almeida Bus Lines, Inc. v. Department of Pub. Utils., 348 Mass. 331, 341, 203 N.E.2d 556, 563 (1965); Cella, Ch. 6, sec. 245. In every case, the Department’s findings must be based on substantial evidence.⁶

III. BACKGROUND AND PROCEEDINGS

A. RESTRUCTURING THE INDUSTRY

In D.P.U. 95-30, the Department established a goal for the future electric industry and articulated principles to guide the development of and a transition to “a new industry structure.” D.P.U. 95-30 was followed in close succession by D.P.U. 96-100 that established the model rules and a legislative proposal for the restructured industry. FG&E was an active participant in each of these proceedings. At approximately the same time several companies entered into ambitious settlements to restructure the industry and FG&E was obliged to participate in these proceedings to determine which structure of reform would best serve the needs of its customers and service territory. See, e.g., Massachusetts Elect. Co., D.P.U. 96-25 (1996). The legislative activity sought by the Department in its model rules ensued and legislation was ultimately enacted. St. 1997, ch. 164.

In very short order, FG&E issued the Plan required by the Act that was reviewed

⁶ The Department may not create or infer substantial evidence of an adverse nature merely by rejecting a party’s supporting testimony or evidence. See Cohen v. Board of Registration in Pharmacy, 350 Mass. 246, 251-2, (continued...)

for approval by the Department. Simultaneous to this review, the Company prepared and executed requests for proposal for competitive provisions of both its standard offer and default services. See Exh. DTE-4-1. As part of the state-mandated transition, the Company also provided a "security blanket" for customers to use standard offer service in place of competitive markets while the transition takes place. Tr. 2 (5/17/00) at 62. The Department contemporaneously reviewed the auction/procurement process of FG&E and the resulting standard offer service contract with Constellation Power Source, as it reviewed FG&E's Plan. Fitchburg Gas and Elec. Light Co., D.T.E. 98-120 (Constellation Contract). The Department ultimately approved FG&E's agreement with Constellation and the resulting service and tariffs to implement FG&E's standard offer service through a competitive supplier. D.P.U./D.T.E. 97-115/98-120 at 26. With regard to its default service RFP, FG&E was the first in the state to bid competitively its default service load. In spite of its best and extensive efforts, the bid failed and each offer for service was deemed inadequate.

In its approval of the Plan, the Department issued a number of directives in D.P.U./D.T.E. 97-115/98-120 that required the Company to modify the Plan. Tr. 2 (5/17/00) at 59-60; Exh. DTE-4-2; Exh. DTE-4-3. The Company complied with each of those directives and each of the Department's requirements. Tr. 2 (5/17/00) at 60; Exh. DTE-4-2; Exh. DTE-4-3.⁷

The Department promulgated its final rules to reformulate the industry. D.P.U.

214 N.E.2d 63, 67 (1966); see also Salisbury Water Supply Co. v. Department of Pubb. Utils., 344 Mass. 716, 721, 184 N.E. 2d 44, 47 (1962).

⁷ As part of its continuing effort to mitigate its transition cost, in July of 1998, the Company entered into an agreement to sell its interest in the New Haven Harbor Station to United Illuminating, as part of UI's sale of the majority interest to Wisvest, Connecticut, L.L.C. Fitchburg Gas and Electric Light Co., D.T.E. 98-121 (1999). The Company was required to file for multiple regulatory approvals: in Connecticut, at the FERC and in Massachusetts. See, e.g., CTDPU Docket 98-12-23 (1998); __ FERC para. __. In the spring of 1999, FG&E entered into an agreement with Select Energy for Select Energy to purchase the power entitlements associated with FG&E's remaining portfolio. Fitchburg Gas and Electric Light Co., D.T.E. 99-58 (1999).

96-100 (1998); 220 C.M.R. 11.00. In addition, the Department required the distribution companies to create competitive supplier agreements, the AG promulgated consumer protection regulations (940 CMR 19.00). There were proceedings to confirm the levels of purchased power costs, and there were proceedings regarding FERC's "7-factor test" and the pricing of QF transmission access. Classification of Transmission and Distribution Facilities, D.P.U./D.T.E. 97-93 (1998); QF Rulemaking, D.T.E. 98-38 (1999); 220 C.M.R. 8.00 (1999); Terms and Conditions, D.P.U./D.T.E. 97-65 (1998) There were proceedings to establish codes of affiliate conduct with regulated companies. Standards of Conduct, D.P.U./D.T.E. 97-96 (1998). The list goes on. Investigation of Department Commencing Notice of Inquiry, D.T.E. 98-84 (1998)(exemption proceeding); Default Pricing, D.T.E. 99-60 (2000).

The change undertaken by the Company to institute retail access for its customers is in no uncertain manner unprecedented. Tr. 2 (5/17/00) at 62. In the Company's 130-year history, it had always provided bundled gas distribution and supply service and bundled electric distribution and power service to its customers. As a result of the Commonwealth's mandates in the Act, the Company divested its purchased power portfolio, divested its joint owned interests in generating assets, and has exited the power supply business in order to permit its franchise customers access to competitive power suppliers. Tr. 2 (5/17/00) at 62; Fitchburg Gas and Elec. Light Co., D.T.E. 99-58 (1999); Fitchburg Gas and Elec. Light Co., D.T.E. 98-121 (1998); see also Fitchburg Gas and Elec. Light Co., D.P.U.C. 98-12-23 (Connecticut, 1998). The record evidence is clear that the Company has worked to mitigate all of its transition costs, including the costs associated with administrative and transaction costs. Tr. 2 (5/17/00) at 66.

With regard to the Company's cost recovery filings, in the Company's May 5, 1999 filing, the Company presented the reconciliation models for internal and external

transmission, transition and standard offer, and default service. Tr. 2 (5/17/00) at 53. The models covered actual data from March 1998 through February 1999, with the exception of the default model, which covered actual data from March of 1998 through December of 1998 only. Tr. 2 (5/17/00) at 54. The May 5, 1999 filing did not increase rates but reconciled and reset certain rates for effect June 1, 1999. The filing was stamped approved by the Department. Exh. FGE-4.

In the Company's July 30, 1999 filing, the Company presented its transition cost reconciliation. Exh. FGE-3. The reconciliation covered the period March 1998 through December 1999 (actual data through June of 1999). Exh. FGE-3; Tr. 2 (5/17/00) at p. 54. The July 30 filing was made in order to implement the requirement under the statute that rates be adjusted to produce a 15 percent rate decrease on September 1, 1999. Tr. 2 (5/17/00) at p. 54; G.L. c. 164, sec. 1(B)(b). The July 30 filing also included the results of the Company's power supply divestiture, the recommendations of the Arthur Andersen audit and the change in rate caps for inflation. Tr. (5/17/00) at 54; Exh. FGE-3; G.L. c. 164, sec. 1B(d).

The Company's July 30, 1999 filing was revised on August 25 and then again on August 27, 1999 to reflect additional guidance provided by the Department on the issues of the inflation adjustment and rate design issues. FGE-2; Tr. 2 (5/17/00) at 54. The filing was approved on August 29, 1999, and the 15 percent rate reduction was implemented as of September 1, 1999, as required by the Act.

B. ARTHUR ANDERSEN AUDIT

The Act required the Department to conduct a formal audit of the transition costs approved for recovery. M.G.L. c. 164, sec. 1G(a)(1). After the Act passed, the Department engaged, following an extensive RFP process, the nationally recognized independent accounting

firm of Arthur Andersen to conduct the audit. Tr. 1 (5/11/00) at 5. The proposal of Arthur Andersen established a detailed work program with 60 to 70 audit procedures. Tr. 1 (5/11/00) at 6. At the conclusion of the audit, Arthur Andersen issued a report. Tr. 1 (5/11/00) at 7 (*Fitchburg Gas and Electric Light Company Calculation of Transition Charge Together with Report of Independent Public Accountants' Report on Applying Agreed-Upon Procedures*).

A team of auditors from Arthur Andersen fulfilled the mandate of the Department, some of whom worked on-site auditing at Unitil headquarters. Those appearing at the Department hearing included Thomas V. Millbury, a 19-year veteran certified public accountant with many years as the engagement partner auditing numerous New England gas and electric utilities. Tr. 1 (5/11/00) at 10. The Arthur Andersen witnesses produced by the Department also included James Moriarty, the audit manager of the engagement (and a partner) and a CPA of 9 years and an auditor of the financial statements of many New England gas and electric utilities. Tr. 4 (5/31/00) at 321, 327-8. Finally, Sean Souza, a consultant in the business consulting practice, who was the audit senior at the time of the independent audit of FG&E, also provided testimony. Tr. 4 (5/31/00) at 321, 327.

The Arthur Andersen audit team conducted its audit pursuant to generally accepted auditing standards (GAAS) and applied generally accepted accounting principles adding, in FG&E's case, significant additional procedures to test the controls and information reporting for FG&E. Tr. 1 (5/11/00) at 16. Arthur Andersen has not audited FG&E before this engagement.⁸ Tr. 4 (5/31/00) at 330.

FG&E implemented each of the recommendations contained by Arthur Andersen in its report to the Department. Tr. 4 (5/31/00) at 242.

IV. THE DEPARTMENT SHOULD APPROVE FG&E'S 1999 ELECTRIC RECONCILIATION ADJUSTMENT FILING

A. THE METHODOLOGY, STRUCTURE AND CONTENT OF EXH. FGE-1 IS LAWFUL AND CONSISTENT WITH ITS APPROVED PLAN AND THE ACT

Exh. FGE-1 uses the methodology and structure identified in the Company's tariffs and in its Plan: transition cost reconciliation adjustment mechanism, standard offer service cost reconciliation adjustment mechanism, default service cost reconciliation adjustment, and transmission (external/internal) service cost adjustment mechanism. Tr. 2 (5/17/00) at 49-50; Exh. FGE-1 at Tab D.

1. FG&E's Transition Cost Reconciliation is Lawful and Appropriate and Should be Approved

The transition cost adjustment is calculated in accordance with the Company's tariff, MDTE No. 36. Tr. 2 (5/17/00) at 52. The uniform transition charge, required pursuant to Department order, was set at .01290 per kWh in order to meet the required rate cap. See Tr. 2 (5/17/00) at 52; Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120 (1999) at p. 40.

The transition cost adjustment is calculated by adding the reconciliation for 1999 to the total forecast costs for 2000. Tr. 2 (5/17/00) at 52. Interest is added and transition cost revenue is subtracted. Tr. 2 (5/17/00) at 52. The total is divided by forecast kWh deliveries to arrive at a transition cost adjustment. Tr. 2 (5/17/00) at 52. The Company's 1999 reconciliation would have mathematically generated an adjustment of \$0.01166 per kWh. Tr. 2 (5/17/00) at 52; Exh. FGE-1 at Tab D, p. 110. However, because the Company is subject to the statutory rate cap, the Company proposes an adjustment of \$0.00, resulting in an undercollection. Tr. 2. (5/17/00) at 52-53; Exh. FGE-1 at Tab D, p. 110.

⁸ Grant Thornton conducts FG&E's independent audits on an annual basis and has issued unqualified opinions.

Substantively, the Department and the Act require that all costs claimed under the transition charge, especially the fixed component, must be fully mitigated. D.P.U. 96-100 at 269.; G.L. c. 164, sec.1G(b)(1). FG&E has consistently worked to mitigate all its transition costs by divesting of both its own generation and its purchased power obligations. See Exh. DTE-5-26. Tr. 2 (5/17/00) at 66. FG&E divested its ownership interest in New Haven Harbor Station. D.T.E. 98-121 (1998); Exh. DTE-2-2. FG&E divested its entitlements in its purchased power agreements and its other owned generating interests. D.T.E. 99-58 (1999); Exh. DTE-2-3. As part of an approved Settlement, the Company agreed that it would not seek to increase its transition charge by the statutorily authorized mitigation incentive. Fitchburg Gas and Elec. Light Co., D.T.E. 99-58 (1999); Exh. DTE-5-27(g). In addition, with those concessions itemized in the filing in this proceeding, the Company made a unilateral, voluntary filing in order to reduce any confusion over the Company's December 22, 1999 filing, to remove unnecessary credits and debits and to clean-up the record. Exh. FGE-5; Exh. FGE-6; Exh. AG-4-1; Exh. AG-4-2; Exh. AG-4-3. The adjustments made by the Company amount to a reduction in the nominal value of the residual value credit of \$2.5 million. Exh. FGE-5; Exh. FGE-6; Exh. AG-4-1; Exh. AG-4-2; Exh. AG-4-3.

In spite of FGE's extensive mitigation efforts and its compliance with the Act, the Attorney General lodged a number of complaints about Exh. FGE-1. The first was that the Company had incorrectly calculated the FAS 109 regulatory asset for inclusion in the fixed component of its access charge. The second was that FG&E incorrectly calculated the return applicable to the fixed component in its first year of retail access. The third was that FG&E was not entitled to a return on its plant additions after 12/31/95 from the period of retail access through the divestiture date. The fourth issue concerns the appropriateness of the Company's

recovery of transaction and administrative expenses incurred to restructure its operations and to divest its generation and purchased power portfolio. FG&E will address each of these issues in turn. The Attorney General raises many brand new arguments on brief, which FG&E intends to address completely in this and its reply brief.

a. The Company's FAS 109 Regulatory Asset is Reasonably Calculated

In Exh. FGE-1, the Company made a calculation that adjusted the value of the FAS 109 balance, according to a calculation that was reviewed by and an adjustment that was recommended by the Department's independent auditors of FG&E's transition cost, Arthur Andersen. Tr. 4 (5/31/00) at 351; Exh. AG-2-10. FG&E is entitled to recover in future rates unrecovered Deferred Tax Liabilities which, until the adoption of FAS 109 in 1993, were not "normalized" for certain timing differences for book accounting and ratemaking purposes. The Company recalculated the FAS 109 estimate contained in its original Plan. Tr. 2 (5/17/00) at 87. In light of the historic nature of the information available, the dated nature of the calculation from 1992, and the impact of mass asset accounting, the Company was required to use an allocation methodology to calculate FAS 109 by component. Tr. 2 (5/17/00) at 87-88. The Company calculated its FAS 109 by looking at the deferred taxes related to depreciation for generation assets as they relate to deferred taxes and depreciation for all assets, and allocated FAS 109 accordingly. Tr. 2 (5/17/00) at 88. The calculation and allocation methodology resulted in a \$2.2 million decrease in the FAS 109 Regulatory Asset as compared to the Plan. Tr. 2 (5/17/00) at 88. Such adjustment would never have been recommended by Arthur Andersen if it had not been verified. Tr. 4 (5/31/00) at 351. Arthur Andersen testified that the FAS 109 balance remained unchanged since the implementation of FAS 109, because FG&E had never

sought recovery of the balance in rates. Tr. 4 (5/31/00) at 349-350. The Attorney General's witness agrees a FAS 109 regulatory asset exists and that the Company's mass asset accounting was not unusual. Tr. 4 (5/31/00) at 407 ("I don't dispute there is a FAS 109 regulatory asset. There clearly is."), 427.

The accounting standards, including FAS 109, are intensely complex and subject to significant and substantial interpretation by many reasonable, well-meaning experts and practitioners in the fields of accounting and finance. The Department implicitly recognized this in its Order approving FG&E's Plan, when it sought to have its own independent auditor (as mandated by the Restructuring Act), analyze, critique, tic-and-tie, and confirm the numbers offered by FG&E. D.P.U./D.T.E. 97-115 at 64; See Exh. AG-2-10. While the Attorney General claims to be unable to verify the reasonableness of the allocation methodology employed to establish the FAS 109 regulatory asset, there is no dispute but that the Department's independent auditors found the FAS 109 calculation *and the allocation methodology* proposed by FG&E for transition cost recovery to be reasonable and in accordance with the accounting principles proscribed in FAS 109. Compare Tr. 4 (5/31/00) at 352-3 with Tr. 4 (5/31/00) at 407. The FAS 109 balance included in Exh. FGE-1 is reasonable and should be approved. Tr. 3 (5/30/00) at 306.

b. The Return on the Fixed Component Accords with the Plan

The Attorney General argues that because retail access commenced on March 1, 1998, the Company should be restricted to a 10-month return in 1998. The adjustment reduces the transition cost by \$210,000. Exh. AG-3 at 9. FG&E posits that calendar-year recovery of the return in the first year of retail access was specifically and explicitly identified in the Company's Restructuring Plan. Exh. DTE-4-1, Tab E; see D.P.U./D.T.E. 97-115/98-120 (plan approved);

Tr. 2 (5/17/00) at p. 75. The return that was requested by FG&E, and approved by the Department, consists of 12 months of return recovered in the appropriate 10 months, for the first year of retail access only. Tr. 4 (5/31/00) at 300-1. FG&E testified that it included this as part of the Plan as a compromise position. Tr. 4 (5/31/00) at 300-1. The return (which is not prohibited under law) should be viewed in relation to the reduction in the rate of return on generation assets that resulted from the legislation. Exh. DTE-4-1 at Tab D, Part III.4. It should also be viewed relative to the fixing of the rate of return that FG&E was required to implement over the period of transition cost recovery. G.L. c. 164, sec. 1(G); Exh. DTE-4-1 at Tab D, Part III.4. It is important to recognize that no matter where interest rates rise to as a result of inflation during the transition period, FG&E can never change its return on the transition cost. This is a foreign concept in traditional ratemaking.

Because the Department approved the Plan, and the provisions of this return without modification, FG&E filed for an effective rate of a 12 month return in the first (10 months) year of retail access, consistent with FG&E's approved Plan. Tr. 2 (5/17/00) at p. 75. It is clearly within the Department's discretion to approve this provision consistent with the recovery authorized under law and in its Plan. The return credited to the fixed component of the access charge in the first year of retail access is lawful and appropriate.

c. FG&E is Entitled to a Return on Plant Additions

The Attorney General also maintains that no return should be permitted the Company for post 12/31/95 plant additions on used and useful generation assets. Exh. AG-3 (4/5/00) at p. 9; AG Initial Br. at 12,. The Attorney General relies on his interpretation of the Act and the Plan, arguing that the access charge did not provide for a return on the post 12/31/95 assets after 3/1/98. Id. FG&E included a return in its transition charge for the capital additions

placed into service after 12/31/95 for the period of the retail access date (after 3/1/98) through the date of divestiture. Exh. FGE-1; Tr. 2 (3/17/00) at 80. This was consistent with its Plan. Exh. DTE-5-25. The appropriate place to earn the carrying charge for these plant additions is in the fixed component of the access charge. Tr. 2 (3/17/00) at 80; Tr. 3 (5/30/00) at 290.

The Attorney General seems to be arguing that FG&E should have been receiving its return on the post 1995 capital additions by skimming off a return from standard offer service revenue that was flowed back in its entirety to FG&E's customers. AG Initial Br. at 12. FG&E billed its standard offer service during 1998 and 1999, until the closing of the entitlements divestiture, at the variable cost (i.e., fuel and O&M) of operating its generating units. There were no capital costs or return on capital cost included for post 1995 capital additions on its standard offer service billings. The Attorney General also seems to be arguing that FG&E should have claimed the return from the revenues received on the units from sales for resale. AG Initial Br. at 12. Again, FG&E flowed through the entire benefit of sales for resale to its customers and did not, as the Attorney General suggests, retain a return on new investment made after 1995 as an on-going operating cost of those generating units. AG Initial Br. at 12.

Having never been presented with this argument before, FG&E is still assessing its merit. However, at first blush it appears such a conclusion is convenient and would work to preclude FG&E's recovery for a cost the Attorney General apparently now admits was borne by the Company during restructuring. After 1998, FG&E did not take a return on either SOS or sales for resale, but rather flowed all the benefits of the revenues received back to its customers. Therefore, FG&E believes that it is appropriate for all the costs to be flowed to customers as well. The Attorney General is capitalizing on the delay in the implementation of the residual value credit, and the trapping of an otherwise legitimate cost as a result, when he seeks to deny

FG&E a return that is appropriately related to the divestiture of the generation assets. See Tr. 2 (3/17/00) at 79-80.

d. The Administrative Costs to Implement Restructuring are Reasonable Transition Costs not Related to Distribution Operations

In Exh. FGE-1, as in each of the previous filings with the Department, FG&E included transaction and administrative costs incurred by FG&E since 1997 to effectuate the many aspects of industry restructuring. See Exh. AG-1-11; Exh. AG-1-18. While the Attorney General appears to concede that transaction costs may be netted in the residual value credit from the proceeds of the sale of FG&E's generation portfolio, the Attorney General challenges FG&E's ability to recover transaction costs as a component of the variable component where the costs incurred to buy-out or otherwise mitigate the above-market costs of its power supply contracts are recovered. AG Initial Br. at 5. The Attorney General also challenges the Company's definition of transaction costs and the inclusion of administrative costs incurred to effectuate the restructuring and divestiture of FG&E's generation and purchased power portfolio. AG Initial Br. at 5. He claims that these costs are not transition costs, nor should they be recovered as a cost of standard offer service (see Part IV(A)(2) below). AG Initial Br. at 9. It is important to note that the Attorney General has not claimed that it was unreasonable for FG&E to incur these costs. Nor does he claim that these activities were unrelated to restructuring the industry. He simply claims that they are not "transition costs" as defined by the Act.⁹ He believes they are part of the usual operations of a distribution company. AG. Initial Br. at 9.

It is the Company's position that by taking this simplistic and opportunistic stance,

⁹ This argument is baseless. Transition cost formulas include mitigation incentives. These are not provided for by the Act as a "transition cost." Deferrals are not defined in the Act as part of "transition cost." The (continued...)

the Attorney General misunderstands and mischaracterizes the nature of and severity of the costs incurred by the Company and appropriately included in the reconciliation mechanism. Tr. 2 (5/17/00) at 61-62; Exh. AG-1-18. The Company has included \$208,210 in its residual value credit for transaction and administrative costs. Exh. AG-1-18. FG&E has included \$1,873,893 of transaction and administrative cost in the variable component of the transition charge. The total cost included for transition and administrative expenses, \$2,082,102, is approximately one percent (1%) of the total value of the generation assets and purchased power portfolio divested by FG&E. The Attorney General consistently misunderstands FG&E's filing in this regard. None of the costs included are costs for which the distribution company was prepared or for which it is responsible to absorb as a matter of law or regulatory policy. Tr. (5/30/00) at 272-275; Exh. AG-1-18. Transactions, administrative costs, reasonably incurred, are and should be eligible for recovery in the respective area of these reconciliation mechanisms to which the cost pertains. See Exh. AG-1-11.

The formula for recovery set forth in FG&E's Plan must be viewed in the context of the Company's restructuring, and more importantly, the context of industry restructuring in the Commonwealth. In light of this, the Company's Restructuring Plan, its transition cost formula and the relevant law provides the Department the necessary reassurance and authority to reject the Attorney General's challenge to FG&E's right to recover these costs.

In approving the Plan, the Department identified the legislative goal of restructuring, that is, "to establish a new electric utility 'framework under which competitive producers will supply electric power and customers will gain the right to choose their electric power supplier.'" D.T.E. 97-115/98-120 at 12. In order to achieve that goal, the Department

Department can interpret the words of the Act to ensure the Act is implemented rapidly, fairly and constitutionally.

was directed to require the accommodation of retail access. See D.T.E. 97-115 at 13. It is clear that restructuring is intended to benefit ratepayers, and to ensure direct access to ratepayers from competitive electric generation suppliers. Exh. DTE 1-4, Part D-VII, p. 1. In order to accomplish the ends mandated by the statute, FG&E had to participate in and incorporate the seemingly endless changes resulting from a number of regulatory proceedings, customer service and education programs and industry roundtables (and still is doing so). See Part III; RR-AG-8.

In spite of the broader mandate that restructuring be accomplished (which end cannot be accomplished without granting recovery of the costs incurred to get there), FG&E's approved Plan was explicit in its presentation of the intent to mitigate stranded costs through divestiture. Exh. DTE-4-1, at Part D-III, p. 1. The Department itself identifies the methods in which mitigation should be achieved as described under the Act. D.T.E. 97-115 at 56, citing G.L. c. 164, sec. 1G(d)(1). Transaction and administrative costs associated with restructuring are correctly recovered as part of the cost of divesting generation and purchased power contracts. Reasonable costs of achieving mitigation are a component of transition cost. G.L. c. 164, sec. 1) (mitigation is any market value in excess of net book value); G.L. c. 164, sec. 1A(b)(3) (divestiture proceeds are net of tax effects and less any other adjustments approved by the department that inure to the benefit of ratepayers.). Since FG&E's divestitures were undertaken to achieve restructuring of the electric industry for the benefit of ratepayers, and because the divestitures could not have been achieved in isolation, reasonable and appropriate transaction and administrative costs associated with positioning FG&E to divest are necessarily included in the transition cost. Exh. DTE 5-16. In its Plan, FG&E was permitted to recover its transition cost through its access charge. Exh. DTE-4-1, Part D-IV, p. 4.

In addition FG&E was clear in the Plan that economic buy-out payments would

include *all reasonable payments* associated with costs incurred to reduce payments under the long-term contracts. Exh. DTE-4-1, Exh. 1, p. 6. Participation in proceedings that illuminated the methods of and contractual intricacies of other companies' buy-outs, with backstop offers, and other approaches to mitigation, restructuring and meeting the Act's mandates, was integral to FG&E's understanding of how best to proceed on behalf of its ratepayers, both to reduce costs and to introduce competition. Exh. DTE-4-1 at Exh. 1, p. 6. Ultimately, these activities lead to the Select Agreement and other similar activities conducted by the Company's service company, its financial advisors, its attorneys and consultants. RR-AG-8; Exh. DTE-2-2; Exh. DTE-2-3. These are the "restructuring costs" that constitute such payments. Exh. DTE-4-2; RR-AG-8; Exh. AG-1-18.

It is appropriate for the Company to continue to recover such transaction and administrative costs through the variable component of FG&E's transition cost. Tr. (5/17/00) at 62; Exh. AG-1-11. Any other interpretation would contravene the Department's finding in D.P.U./D.T.E. 96-23, at 31-32, where the Department noted that the Act "must be interpreted as not to render it contrary to the terms of the Constitution."

The Company, prior to the Act, had unbundled its electric division into distribution, transmission and generation segments, with the intent of not burdening the distribution company (or its customers) with energy-related costs.¹⁰ The Company used a 1995 functionalized cost of service to unbundle its rates. See, D.P.U./D.T.E. 97-115/98-120 at 35; D.P.U. 97-44 (1997); AG Initial Br. at fn. 6 (extra record cite: this cost study is not part of the

¹⁰ The distribution operations continue to have obligations for which it recovers revenues through its base rates. However, the costs of achieving the restructuring are not part of "normal utility operations."

record in the instant proceeding).¹¹ In this 1995 study, the Company included \$2.4 million in administrative and general expense in its distribution function. AG Initial Br. at fn. 6. This included the cost of routine participation in regulatory proceedings (such as Performance Reviews, Fuel Clause Adjustment, Load Forecast and Integrated Resource Management), as well as maintenance of existing systems for unified billing and routine customer service (new account, billing and termination inquiries). The cost of routine participation in regulatory proceedings, maintenance of existing customer information systems and customer service are still charged to distribution cost. Exh. RR-AG-8.

The use of the 1995 cost study, inappropriately referenced by the Attorney General, demonstrates almost nothing. It did not include any of the additional activities described below that were detailed in Exh. RR-AG-8, or those described in Exh. RR-AG-12 or Exh. AG-1-11 (LERS/Logica), each of which were directly a consequence of the Commonwealth's mandate for retail access. These costs are undeniably incremental and are not provided for in the Company's distribution rates. The means of getting to these profound, legislatively mandated ends of retail access and reformulation of the industry necessarily required the assistance of consultants, financial experts, lawyers and, in FG&E's case (not unlike others), service company personnel.

Such transition activity, conducted for the direct benefit of ratepayers, is illustrated by, but not limited to, FG&E's efforts to unbundle rates and assure revenue neutrality; to reform revenue projections; to draft regulatory documents, including the Plan itself; to appear

¹¹ Since the Attorney General has referenced a cost of service study that is not part of the record in this proceeding (without an accompanying motion or good cause), FG&E is at a loss as to how to respond. If the Attorney General had appropriately introduced this functionalized cost study during hearings, FG&E would have been able to comment appropriately and placed the filing in context in relation to the Company's efforts to unbundle rates.

at hearings; to draft bid requests and RFP's; to reform billing systems to accommodate heretofore unrecognized sellers and other market participants; to participate in the development of the ISO and the reform of NEPOOL; to meet with financial advisors; to retrain personnel, including customer service; to segregate responsibilities; to draft separation standards; to reform tariffs; to codify terms and conditions for all levels of service; to maintain an understanding and consistent level of participation in the on-going regulatory proceedings taking place at the Department; to negotiate possible contract buyouts; to meet with local government officials; to create bill inserts and other material for customer education; and to establish appraisals and conduct marketing of the power portfolio, for standard offer service, default service and ultimately, for sale. Exh. RR-AG-8; Exh. AG-1-18. In other words, the requirements of the statute created unavoidable incremental costs for FG&E which are properly recovered as part of the costs incurred by it to accomplish the legislative end, that is, retail access to all customers and the permanent restructuring of the Company's business. Tr. 2 (5/17/00) at 63.

The Attorney General's position is inapt when one fully appreciates the extent of the concentration of the Company's resources to implement full restructuring. See Tr. 2 (5/17/00) at 62; Exh. AG-1-18. The transaction and administrative costs included by FG&E in Exh. FGE-1 are the costs of implementing divestiture, unbundling and provision of customer choice. Tr. 2 (5/17/00) at 63; Exh. AG-1-18. These are truly extraordinary costs that were not included in the 1995 cost of service study used to unbundle FG&E's rates. See also Exh. AG-2-2.

2. FG&E's Standard Offer Cost Reconciliation Is Consistent With The Plan and Should Be Approved

In its Plan, the Company stated that its standard offer service,¹² also known as SOS, was implemented in order to assist customers in the transition to the competitive market. Exh. DTE-4 at V.1. Standard offer service is a new service; it is in no way part of the bundled electric service formerly provided by the electric division of FG&E. Tr. (5/17/00) at 62-3. In fact, FG&E's standard offer service is provided at a competitively bid wholesale price from a competitive energy supplier, the first such service in the state. This service would not have been possible to provide without a complete restructuring of FG&E's bundled electric operations. Exh. DTE-4 at V.2

In Exh. FGE-1, the standard offer service revenue reconciliation adjustment is calculated in accordance with the Company's tariff MDTE No. 44. The standard offer revenue reconciliation adjustment is calculated by adding the reconciliation for 1999 to the total forecast costs for 2000. Tr. 2 (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110. Interest is added and SOS revenues subtracted. Tr. 2 (5/17/00) at 53; Exh. FGE-1 Tab D, p. 110. The total is divided by forecast kWh deliveries to arrive at the standard offer service reconciliation adjustment. Tr. 2 (5/17/00) at 53. The Company's 1999 reconciliation would have mathematically generated an adjustment of \$0.01799 per kWh. Tr. 2 (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110. However, because the Company is subject to the statutory rate cap, the Company proposes an adjustment of \$0.00, resulting in an undercollection. Tr. 2. (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110.

The Attorney General attacks two cost items included by FG&E as a cost of the provision of standard offer service. First, the Attorney General claims that the costs included for

¹² Under the Plan, the Company called this transitional service "Standard Transition Service" consistent with the identification of the service in the Act.

the complex LERS/Logica¹³ load reporting system (notably not challenged as to the reasonableness of kind or amount) is part of distribution operations and not recoverable as a cost of standard offer service. AG Initial Br. at 32. As to this, the Attorney General is mistaken. The Company's standard offer service is not a substitute for the bundled electric power supply service previously provided by the Company. Tr. (5/17/00) at 62; Exh. DTE-4-2. The evidence offered on brief by the Attorney General demonstrates that the costs to implement the standard offer service vastly outstrip the costs of systems that remain in the distribution operations, and systems that are used for billing and customer service. AG Initial Br. at fn. 6; Exh. RR-AG-8. LERS/Logica is totally new, with no other purpose but to facilitate standard offer service, default, and competitive power supply markets. Exh. RR-AG-8; Exh. RR-AG-12; Exh. DTE-1-2; Exh. AG-1-12.

The record evidence is also clear that rapid implementation of the Act was required following its passage. Exh. RR-AG-12; Cambridge Elec. Light Co., et al., D.P.U./D.T.E. 97-111 at 14 (1998) (the legislature "mandated swift implementation of the Act."). The Company was explicit in its intent to implement the LERS/Logica load estimating system in the Plan filed in 1997. Exh. DTE 1-4 at Tab D, VII.2-VII-4. While it would be plainly unfair to exclude the costs of a system that would not have been necessary "but for" the institution of standard offer service, in addition, the Department has already determined that a restructuring company providing standard offer service cannot be precluded from collecting "all of the reasonable costs incurred in providing standard offer service at the mandated rate reductions. . . ." Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 37; Exh. AG-1-12.¹⁴ The LERS/Logica

¹³ See Exhibit DTE-5-22.

¹⁴ The Supreme Court has stated that the Takings Clause bars "Government from forcing some people alone (continued...)"

system and its expense were reasonable costs incurred in order to provide standard offer service, default and competitive supply. Exh. AG-1-11. The Company should be permitted to recover the costs of this system.

Second, as discussed in Part IV(A) above, the Attorney General challenges FG&E's recovery of administrative costs associated with the acquisition, procurement and provision of standard offer service in the standard offer service revenue reconciliation adjustment mechanism, but does not challenge that the costs were reasonably incurred or in amount. AG Initial Br. at 9. A number of reasons exist for the Department to confirm FG&E's ability to recover these costs through the SOS mechanism. First, FG&E specifically articulated in the Plan that the standard offer service reconciliation would include a reconciliation of the "revenues billed to retail customers taking [standard offer service] with the costs incurred to provide the service." Exh. DTE-4-1, at Tab D, V.5-V.6. The tariff, MDTE No. 44, reiterates this language. The Department specifically approved the recovery in the SOS reconciliation. D.P.U./DTE 97-115 at 73-74. ("Therefore, in the event that the Company is unable to recover net standard offer service administration and operational costs, ... the Company may recover those costs in its [STS] reconciliation mechanism.") Second, the costs incurred by FG&E include the costs of the standard offer auction, with all its complexity (Exh. DTE-4-1 at V.2-V.5); the contract negotiations, the regulatory proceedings to ensure approval, and an allocation of the restructuring costs incurred by FG&E to understand the reformulation of the Massachusetts electric industry and associated with restructuring its operations to permit standard offer service. Exh. RR-AG-8; Exh. AG-1-11. The recovery of these costs is not only consistent with FG&E's Plan and its

to bear public burdens which, in all fairness and justice, should be borne by the public as a whole." Armstrong v. United States, 364 U.S. 40, 49 (1960); see also McAndrews v. Fleet Bank of Massachusetts, 989 F.2d 13, 18 n. 7 (1st Cir. 1993).

tariffs, it is consistent with a constitutional interpretation of the Act. Third, the Department has permitted administrative costs to be recovered as part of default service, another statutorily mandated service established by the Act. Default Service Pricing, D.T.E. 99-60-B (2000). It is consistent in policy and reasoning that administrative costs be recovered for the institution and provision of standard offer service as well. The costs involved are clearly standard offer costs and were reasonably incurred. Exh. AG-2-3. They are appropriately recoverable in kind and amount under the standard offer revenue reconciliation adjustment mechanism.

The Attorney General also argues out-of-the-blue that FG&E's 1998 power supply costs for standard offer and default service should be limited to the power supply costs embedded in, or that can be imputed from, a 1983 base rate proceeding. AG Initial Br. at 30-31. The Attorney General's argument is confusing, at best. He is aware, apparently, of the referenced 1995 cost of service study approved for unbundling FG&E's rates in DPU 97-47. The unbundling stripped these same power costs from distribution base rates; the Department approved the rate unbundling. In addition, the Department approved FG&E's recovery of its ongoing generation and purchased power costs in DPU/DTE 97-115. The Attorney General's proposal is inconsistent with the previous approved unbundling, is seemingly inequitable, is without logic or reason and is devoid of record support.

3. FG&E's Default Service Charge Reconciliation Is Consistent With The Plan and Should Be Approved

G.L. c. 164, sec. 1B(d) requires each distribution company to provide a default service, that such service be competitively procured, that the rate comport with the Act, and that default service permit a uniform payment option. G.L. c. 164, sec. 1B(d). The Department implemented rules to establish default service. 220 C.M.R. sec. 11.04. The Department also

required the distribution companies to use their standard offer service price as the proxy for the rate established by the Act. See Investigation by the Department of Telecommunications and Energy on its own Motion into the Pricing and Procurement of Default Service Pursuant to G.L. c. 164, sec. 1B(d), D.T.E. 99-60-B (June 30, 2000). The Department requires the companies to issue multiple solicitations for bid, with minimum procurements of six months. Default Service, D.T.E. 99-60-B at 14. The Department also permits companies to include the incremental administrative costs associated with providing default service in the default service price. Default Service, D.T.E. 99-60-B at 19 (the inclusion of administrative costs in the price of default service sends the right price signal).

The default service adjustment is calculated in accordance with the Company's tariff MDTE No. 40. Tr. 2 (5/17/00) at 53-54; Exh. FGE-1 at Tab D, p. 116. The Company's tariff requires that at the end of each calendar year the Company reconcile any balances as a credit or charge on its transition cost. Tr. 2 (5/17/00) at 54. However, as the Company testified at hearing, since the transition cost adjustment was set at the maximum amount under the rate cap, the Company rolled the default service balance into the transition charge. Tr. 2 (5/17/00) at 53; Exh. DTE-5-23.

4. FG&E's Transmission Cost (External/Internal) Reconciliation is Consistent With its Plan and Should be Approved

The external transmission charge recovers on a fully reconciling basis the FERC-approved billings to the Company, associated with the Regional Transmission Group. Exh. DTE-4 at IV.3. It also recovers costs associated with the Independent System Operator or any other transmission provider and which the Company has authorization to recover from retail customers. Exh. DTE-4 at IV.3. The Department approved the Company's recovery of an

external transmission charge. D.P.U./D.T.E. 97-115 at 1,31; Exh. DTE-4-1.

The external transmission charge is calculated in accordance with the Company's tariff MDTE No. 35. Tr. 2 (5/17/00) at 51. Mathematically, the Company added the reconciliation for 1999 to the total forecast costs for 2000. Tr. 2 (5/17/00) at 51. The total amount was then divided by the estimated deliveries for the year 2000 to arrive at the external transmission charge. Tr. 2 (5/17/00) at 51; Exh. FGE-1 at Tab D.

The internal transmission component recovers fully (1) the transmission charges applicable to retail customers under the Company's FERC-approved Open Access Transmission tariff; and (2) the Company's Pool Transmission facilities revenue requirement as included in NEPOOL's Open Access Transmission tariff. Exh. DTE-4-1 at IV.3. The Department approved the Company's recovery of an internal transmission charge. D.P.U./D.T.E. 97-115 at 1; Exh. DTE-4-1.

The internal transmission service cost adjustment as filed in Exh. FGE-1 is calculated in accordance with the Company's tariff MDTE No. 34. Tr. 2 (5/17/00) at 51-52. The internal transmission service cost adjustment was calculated by adding the reconciliation for 1999 to the total forecast costs for 2000, including interest. Tr. 2 (5/17/00) at 51-52; Exh. FGE-1 at Tab D; Exh. DTE-1-1. The revenues were then subtracted and the net amount was divided by the projected kWh deliveries for 2000 to arrive at the internal transmission service cost adjustment charge. Tr. 2 (5/17/00) at 52; Exh. FGE-1 at Tab D, p. 95. The Attorney General did not challenge any part of FG&E's transmission cost reconciliation filing. Since the reconciliations in Exh. FGE-1 are consistent with the Plan and correctly calculated, they should be approved by the Department.

V. RECOVERY OF STATE TAX IN SEABROOK SURCHARGE

The Attorney General challenges FG&E's inclusion of state income tax into the calculation provided by FG&E for amortization of the Seabrook Amortization Surcharge balance as of February 28, 1997. AG Initial Br. at 25. The calculation proffered by FG&E to determine the state tax benefit provided ratepayers under the Seabrook Settlement was reviewed by the Department's independent auditor, Arthur Andersen, and determined to be reasonable. Tr. (5/17/00) at 60; Exh. AG-3-3. Arthur Andersen also confirmed that the overall amount to be amortized was reasonable.

The Settlement Agreement clearly provides that the principal amount to be amortized is grossed up for "income taxes" and recovered as part of the amortization. Exh. AG-2-5, Settlement Agreement, D.P.U. 85-235, Exh. B (D.T.E. 97-115)(Administrative Notice Taken)("Exh. B"). In support of his argument that the surcharge was not intended to be grossed up for state income taxes, the Attorney General points to the dollar figures used on the Exh. B. AG Initial Br. at 25. No one disputes that these figures clearly reflect a federal income tax rate of 34 percent.

The doctrine of "exclusion by implication" claimed by the Attorney General to apply in the Department's construction of the Settlement in D.P.U. 85-235 and its Exh. B is inapposite. This "doctrine" is invoked when a contract provides a clear, and arguably extensive, listing of items or actions intended by the parties to be included as part of the contract or its performance. AG Initial Br. at 25; see e.g. Hamlen v. Rednalloh Co., 291 Mass. 119, 197 N.E. 149 (1935). If that were the case in this instance, which it is not, an item omitted would be considered an item intentionally excluded. This theory of law is inapplicable here.

The applicable rule for construing the Seabrook Settlement Agreement is much more well known and far easier to understand. In an unambiguous agreement, the plain language of the contract controls. Cody v. Connecticut General Life Ins. Co., 387 Mass. 142, 146-7, 439 N.E. 2d 234 (1982). A court may find ambiguity where there are two rational interpretations of the contractual language. Hazen Paper Co. v. United States Fidelity & Guaranty Co., 407 Mass 689, 700, 555 N.E.2d 576 (1990). “The object of the court is to construe the contract as a whole, in a reasonable and practical way, consistent with its language, background and purpose.” USM Corp. v. Arthur D. Little Systems, Inc., 28 Mass App. Ct. 108, 116, 546 N.E.2d 888 (1989), rev. denied, 406 Mass. 1104, 550 N.E.2d 396 (1990).

With regard to the Department’s review of the contract, FG&E would make four points. First, the Settlement refers the reader to the Exh. B for a calculation of the amortization. It is not ambiguous. The Exh. B provides a calculation that in its formula states “Income Taxes.” The phrase “income taxes” denotes a plural, for more than one kind of taxes. By its plain language, it is not ambiguous. The Exh. B is intended to recover the income taxes applicable to the revenues received under the Settlement.

Second, assuming arguendo the language reflects an ambiguity because of the manner in which the formula was calculated (at the federal tax rate), the record evidence demonstrates that at the time the Exh. B was calculated, FG&E was in a net operating loss position (with no tax carry-forwards or carry-backs) and therefore paid no state income tax. Tr. (5/17/00) at 89-91. This evidence is consistent with FG&E’s position that even though the words “income taxes” appears, and a federal tax rate was used, FG&E is and always has been entitled to gross up the amortization for all income taxes, including state income tax.

Third, assuming the ambiguity is not resolved thereby, the record evidence also demonstrates that from the minute the amortization was calculated, FG&E consistently booked state income tax and federal income tax to it. Tr. (5/17/00) at 89-91. These contemporaneous actions are indicative of the intent of the parties. See Shea v. Bay State Gas Co., 383 Mass. 218, 222-223, 418 N.E. 2d 597 (1981).

Fourth, assuming such evidence is still insufficient, the record evidence also demonstrates that, at the time, the parties were very specific to ensure the Settlement articulated that the Company agreed to write off 40 percent of its book investment in Seabrook Unit 2. D.P.U. 85-235. If the parties had intended for the Company to bear the changes in state income tax as a loss as well, it would have articulated this specifically. Instead, the language indicates that the amortization is to be adjusted for "Income Taxes." D.P.U. 85-235, Settlement at Exh. B. Considering the breadth of the Settlement, it is inconceivable, given the entirety of the circumstances and the massive losses that FG&E was to suffer, that FG&E would agree to bear the *additional* risk of changes in the state income tax structure. In fact, all the evidence, along with a reasonable construction of the Exh. B, points to the conclusion that it did not.

The Attorney General has continued in this proceeding his incessant efforts to chip away at an approved settlement that was negotiated over 15 years ago. FG&E took a 40 percent write off of its book investment when it agreed to the Seabrook Settlement. D.P.U. 85-235 (1985). It agreed to provide ratepayers with the initial benefits, while it waited until the later years to recoup that which was promised it in the deal. D.T.E. 97-115/98-120 at p. 54. However, in spite of the 14 percent averaged return on the unamortized balance promised FG&E in the Seabrook Settlement (and approved by the Department), FG&E has earned under 10 percent return in the whole period. Tr. 4 (5/30/00) at 313-4. In 1998, as a result of the

Department's approval of the Plan, FG&E wrote off another \$2 million in investment as part of the Department's attempt to ensure that FG&E earned no *more* than the 14 percent averaged return bargained for in the agreement. See Tr. 3 (5/30/00) at 312-3; D.T.E. 97-115/98-120 at 55. FG&E requests that the Department reject the Attorney General's attempts to reinvent the plain language of the Seabrook Settlement these many years later, reject the Attorney General's attempts to chip away at the remaining benefits in the deal, and recognize that the Seabrook Surcharge should be amortized as confirmed by the Arthur Andersen audit until the amount owed FG&E is fully amortized.

The Attorney General's argument regarding the pro forma calculation is being heard for the first time on brief, even though the Seabrook state tax issues were addressed in the Attorney General's initial prefiled testimony, in his prefiled reply and on the stand during Mr. Effron's examination. In spite of multiple opportunities, there is no record support for this new theory of calculation. It appears to the Company to be completely theoretical. Read at its face value, the pro forma calculation does not reflect the fact that the Company (when it established the SAS) did not receive a state tax benefit of the level asserted or implied by the Attorney General in this calculation. As a result, it is irrelevant to consideration of the appropriate treatment of state taxes in the SAS. Further, there is not substantial evidence to support it.

Briefing Questions
Question 1

The Department believes that the reconciliation for this proceeding, D.T.E. 99-110, should cover the period from March 1, 1998 through September 30, 1999. Future reconciliations shall cover from October 1 of the previous year through September 30th of the year in which the annual reconciliation filing is made. The annual reconciliation filing should be made no later than December 1 each year. Please comment on these proposed dates for the instant and future reconciliations.

The Company agrees that these filings should be made no later than December 1 each year effective January 1 of the following year. The rate covers the period from January 1 through December 30 of each year. The Company believes the rate should be calculated based on 9 months of actual data and three months of estimated data for the prior calendar year, and estimated data for the current "rate" year. All estimates, including the three months of estimated data in the prior calendar year, as well as nine months of estimated data in the "rate" year would become actual data in the next filing and fully reconciled. The Company would continue to estimate the remaining three months of the year that precedes the rate year. This methodology appropriately matches costs with prices, eliminating as much lag as possible. With this methodology, the Department would be reviewing the actual data presented, as well as the reasonableness of the forecast. In future filings, actual data that has previously been submitted should not be the subject of review. However, since this proceeding is the first substantive review of FG&E's reconciliation mechanisms, the Company agrees that the reconciliation should begin with March 1, 1998. Since actual data was provided for October 1999, the Company recommends this be part of the reconciliation for this filing as well

Question 2

The Department would also like Fitchburg Gas and Electric [Light] Company to file its reconciliations in a format that is consistent from year to year. The following are elements that should be part of subsequent reconciliation filings.

- *Consistent use of terms with a full explanation if any terms that were used in the previous reconciliation period have been changed;*

The Company agrees that a consistent use of terms will eliminate potential confusion in subsequent filings. A section consisting of definitions and acronyms included in the filing would clarify terms and could also serve to identify any of terms that have changed from the previous filing.

-
- *A section that explains all new terms found in the filing and spells out all acronyms found in the filing;*

See above.

-
- *Page numbers for ease of reference;*

This is a reasonable request. The Company is prepared to number its filing by section as appropriate and with sequential page numbers for the entire document.

-
- *A summary table for all charges (see attached table), including the starting balance and ending balance for the current reconciliation year. If the starting balance for the current reconciliation year is different from the ending balance from the previous reconciliation year, there should be a complete explanation of any adjustments that were made;*

The Company agrees to prepare the suggested summary table to provide a quick overview and aid in Department review. The Company's current filing has all the necessary components to complete this summary.

- - *Line items for individual charges should not include "buried" costs. In other words, if a certain line item is actually a combination of several costs, that should be fully explained;*
- In order to simplify the presentation of each reconciliation model, the Company recommends that an attachment or appendix be included that would show the details for certain line items if it is actually a combination of several costs.

- *and Month-by-month totals for all charges.*

This is a reasonable request. FG&E's current filing includes month by month totals for costs.

Please comment on the proposed format for future reconciliation filings.

FG&E believes the adoption of the changes discussed above will aid the Department's review and lend efficiency to these proceedings in the future. In its initial brief, the AG proposes that FG&E adopt the format used by Cambridge Electric Light Company and Commonwealth Electric Company. The AG also suggests that these dockets provide a good illustration of what supporting documentation should be filed along with the schedules. The Company has done a preliminary review of Cambridge/Commonwealth's 1999 Transition Charge True-Up Filing and has found that the basic components, such as tariffs, red-lined tariffs, reconciliations, rate design, and bill impacts, have been presented in FG&E's reconciliation filing as well.

Cambridge/Commonwealth submitted extensive workpapers as part of their filing. The entire filing consists of two sizeable volumes, with one volume consisting entirely of workpapers. The Company does not believe that extensive documentation is needed to ensure a thorough and reasonable review. However, the Company will provide documentation we believe is appropriate. Specific documentation that is not provided in the initial filing can be more efficiently obtained during the discovery process. A random review of cost support, for example, selecting specific months for cost support, may add efficiency to the process.

VII. CONCLUSION

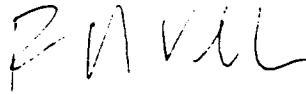
Wherefore, for all the reasons set forth herein, Fitchburg Gas and Electric Light Company respectfully requests that the Department of Telecommunications and Energy grant its

approval over Fitchburg Gas and Electric Light Company's December 22, 1999 filing as modified by Exh. FGE-5 and Exh. FGE-6.

Respectfully submitted,

FITCHBURG GAS AND ELECTRIC LIGHT
COMPANY

By its attorneys,
LEBOEUF, LAMB, GREENE & MACRAE, L.L.P.

A handwritten signature in dark ink, appearing to read "P. M. French", written in a cursive style.

Patricia M. French
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DATED: July 19, 2000

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August 2, 2000

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Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Fitchburg Gas and Electric Light Company, D.T.E. 99-110

Dear Ms. Cottrell:

Enclosed please find an original and nine (9) copies of the Reply Brief and Statement of Facts and Conclusions of Law of Fitchburg Gas and Electric Light Company.

Please file same.

Thank you for your courtesy and assistance.

Very truly yours,



Patricia M. French

cc: William Stevens, Esq., Hearing Officer
Lincoln Daly, D.T.E.
Tom Carey, D.T.E.
Jeff Hall, D.T.E.
Shiv Mani, D.T.E.

Service List

CERTIFICATION

I, Patricia M. French, certify that I caused a copy of the within Reply Brief of Fitchburg Gas and Electric Light Company to be served on each of the individuals on the service list on file with the Department of Telecommunications and Energy.

Dated at Boston, Massachusetts, this 2nd day of August, 2000.



Patricia M. French

COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY) D.T.E. 99-110
ELECTRIC RATE RECONCILIATION ADJUSTMENT)

REPLY BRIEF
OF FITCHBURG GAS AND ELECTRIC LIGHT COMPANY

August 2, 2000

LeBoeuf, Lamb, Greene & MacRae, L.L.P.
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I. INTRODUCTION

This brief addresses the issues raised by the Attorney General in his Reply Brief in this proceeding (AG Reply). As to matters raised by the Attorney General, but not rebutted in this Reply, FG&E rests on the arguments set forth in the Initial Brief as if set out fully herein. As to the new arguments and positions presented for the first time in the Attorney General's Initial Brief, we note that the Attorney General has offered no reply. See, e.g. FGE Initial Br. at 18, 28, 34. FG&E continues to believe each is unsupported by the record as discussed in the Company's Initial Brief. Id. Attachment A hereto is the Statement of Facts and Conclusions of Law as requested by the Department.

II. DISCUSSION

A. The Attorney General's Reply Raises the Implications of Retroactive Ratemaking

The Attorney General's first position on Reply is that the Department did not approve FG&E's first two reconciliation adjustments. AG Reply at 2. The only conceivable reason why FG&E's position -- that this is the *third* reconciliation adjustment -- receives such a prominent introduction by the Attorney General is that regulatory policy mandates that the Department recognize finality in its orders. See Boston Consolidated Gas Co. v. Department of Publ Utils., 321 Mass. at 265, 72 N.E.2d at 546 (parties have right to look to agency order to ascertain rights and duties secure in reliance that it cannot be changed). Specifically, the Company is permitted to rely on the final orders of the Department so that it may conduct its business affairs with stability and

predictability. In addition, changes in final orders that have retroactive effect may be unlawful. If the Department changes the regulatory direction from order to order, it must justify such changes in writing and with substantial evidence. See G.L. c. 30A, § 11(2)(B); Cella, Administrative Law Ch. 6, sec. 245.

The Department is presumed to have fulfilled its mandate and reviewed each prior filing that it gave approval to take effect. See, e.g., Cushing v. Fire Commr. of Brookline, 345 Mass. 418, 422, 187 N.E.2d 804, 806; Newcomb v. Board of Aldermen of Holyoke, 271 Mass. 565, 569, 171 N.E. 826, 827, Parks v. Mayor and Aldermen of Boston, 25 Mass. (8 Pickering) 218, 228-229. Although the Attorney General claims that Department approval of Exh. FGE-2, Exh. FGE-3, and Exh. FGE-4 was limited to the Company's tariffs (AG Reply at 2), in fact the Department stamped the *entire filings* approved, with no limiting language. Exh. FGE-4, Exh. FGE-3, Exh. FGE-2. In addition, the Department's statutory authority to reconcile continually these mechanisms, while apparently acceptable for *interim* reconciling filings in any year-long reconciliation period, is not apparent from St. 1997, ch. 164. Hartford Accident & Indemnity Co. v. Commissioner of Ins., 407 Mass. 23, 27, 551 N.E. 2d 502, 504 (1990) (the Department, as an agency created by the legislature, only has such authority as is delegated by the General Court); Metropolitan Dist. Comm. v. Department of Pub. Utils., 352 Mass. 18, 26, 224 N.E.2d 502, 508 (1967); see City of Newton v. Department of Pub. Utils., 367 Mass. 667, 678, 328 N.E.2d 885, 892 (1975). The prohibition against retroactive ratemaking appears to be an active concern of the Attorney General, and is of concern to FG&E as well. See, Boston Edison Co. v. Department of Pub. Utils., 375 Mass. 1, 6, 375 N.E.2d 305, 312 (1978)(retroactive rate is impermissible as a matter of law). The

Department should give full recognition to its prior approvals of FG&E's reconciliation filings and reject the Attorney General's suggestion that it engage in retroactive ratemaking.

B. FG&E's Transition Cost Adjustment is Lawful and Reasonable

1. The Company's FAS 109 Regulatory Asset is Reasonable and Lawful and Should be Approved

The Attorney General continues on Reply to claim that "it is not possible to determine from the Company's records whether it has a surplus or a deficiency in the generation portion of its deferred income tax reserve." AG Reply at 3. However, FG&E's accounting methods, principles and practices were in accord with the accounting requirements of the Department. The record indicates that FG&E's method of mass asset accounting, which it correctly and accurately employed, does not (and should not) specifically identify each asset, or the related deferred taxes. See Tr. 4 (5/31/00) at 407. Therefore, FG&E reasonably utilized allocation methods to assign a portion of the FAS 109 regulatory asset to the generation assets. Tr. 2 (5/17/00) at 87-88. This is the "reasonable allocation methodology" that Arthur Andersen accepted as part of its audit. Tr. 4 (5/31/00) at 351. The Attorney General has not given a single plausible reason to oppose the Department's auditor's recommendation.

The Attorney General also argues that "there is no plausible basis for a finding that the Company has a generation-related deferred tax reserve deficiency." AG Reply at 3 citing AG Br. at 16-21; compare Tr. 4 (5/31/00) at 407 (AG witness admits there is). With regard to this claim, the Company notes that the New Haven Harbor Station was placed in service in 1975, the No. 7 Turbine was placed in service in 1977,

Wyman 4 was placed in service in 1978, and Millstone 3 was placed in service in 1986. As demonstrated by the record evidence, there most certainly can be (and there is) a regulatory asset related to deferred tax deficiencies for the generation assets

First, in 1977, the Department required the Company to adopt comprehensive deferred tax accounting for tax timing differences; however, there were existing book and tax timing difference pre-1977 related to generation assets for which no deferred taxes were recorded until the adoption of FAS 109 in 1993. See Tr. 2 (5/17/00) at 87-88.

Second, no deferred taxes were recorded on the timing differences relating to the equity component of Allowance of Funds Used During Construction (AFUDC) which would have been incurred on all generating assets. Third, it was not until a Department order effective April 1, 1983, that the Company began to fully normalize the tax benefits associated with the debt component of AFUDC (again, this applies to all generating assets). Fitchburg Gas and Elec. Light Co., D.P.U. 1270 at 221 (1983). Prior to the effective date of this Department order, the Company provided deferred income taxes on a portion of such benefits as required in a previous order.¹ Accordingly, there were book/tax timing differences on a portion of these differences on which deferred taxes were not provided prior to April, 1983 until the Company adopted FAS 109 in 1993.

Fourth and finally, under the pre-FAS 109 method of deferred tax accounting, i.e. APB No. 11, deferred taxes recorded in earlier years were not adjusted in

¹ The Company's previous rate case to D.P.U. 1270 was Fitchburg Gas and Elec. Light Co., D.P.U. 19084 (1977), issued based on a 1976 test year.

later years for changes in tax rates. This is significant in light of the instant controversy because in fiscal 1985, the Company suffered a significant Net Operating Loss (NOL). The Company recorded deferred tax benefits (a credit) at the higher tax rate then in effect of 46%. The reversal of these tax benefit timing differences were recorded at lower statutory tax rates applicable in later years, i.e., 34%, and not adjusted until the adoption of FAS 109 in 1993. Ratepayers benefited from the tax timing differences that were never reversed under APB No. 11.

The Attorney General also claims that "the Arthur Andersen auditors did not verify the existence of any generation related FAS 109 regulatory asset balance, much less any particular balance, 'exact' or otherwise; at most, they adopted a 'reasonable' company estimate of a balance." AG Reply at 3, citing AG Br. at 16-21. The Attorney General fails to appreciate that a "reasonable estimate," in light of each of the parties' (including the Department's independent auditors') recognition that a balance exists, is much more accurate and lawful than imputing a balance of zero. See Tr. 4 (5/31/00) at 407. Furthermore, the record evidence shows that the estimated balance is not more speculation. It is a reasonable allocation based on all available data that has been confirmed by the Department's independent auditors based on Generally Accepted Auditing Standards. Tr. 4 (5/31/00) at 352-3; Tr. 1 (5/11/00) at 16.

The Department should determine, in light of the record in D.T.E. 97-115 and the facts presented there, what it meant at that time by the independent audit verifying the "exact" FAS 109 balance. Fitchburg Gas and Elec. Light Co., D.T.E. 97-115/98-120 at 64 - 65. It is inconceivable that the Department intended that an "exact" -- in the sense of Platonian or "perfectly accurate" -- balance would be ascertained, given

the complexity of the application of FAS 109, and in light of the practical difficulty in ratemaking to determine costs with precise accuracy, due to timing differences, methods of information gathering and reasoned interpretations of the law or regulatory policy. The Department's mandate under St. 1997 is to require that a "comprehensive audit" assures it that a Company's transition costs are in "substantial compliance" with G.L. c. 164, sec. 1G. See G.L. c. 164, sec. 1G(a)(1). In the instant matter, the comprehensive, independent audit of Arthur Andersen did just that. Exh. AG-1. Once again, FG&E requests that the Department confirm its FAS 109 regulatory asset for recovery as presented by FG&E in the transition cost adjustment. Exh. FGE-1.

2. The Company's Transaction and Administrative Expenses
are Reasonable and Lawful and Should be Approved

Once again on Reply, the Attorney General misrepresents and mischaracterizes the Company's filing by asserting represents that the Company seeks to recover over \$2.4M in standard offer and default service administrative costs. AG Reply at 9-10; AG Reply at fn. 4. He repeatedly blurs the distinction between those costs incurred in the Transition Cost Adjustment as a power supply cost, and those incurred as part of the establishment of standard offer and default service. AG Reply at 10-12. This difference is as distinct as the restructured functions of energy supply on the one hand, and the functions of distribution and transmission on the other.

As clearly articulated in FG&E's Initial Brief, and provided to the Attorney General in Exh. AG-1-18 (attached hereto as Attachment B), FG&E included in its residual value credit \$208,210 for transaction and administrative expenses related to its divestiture of New Haven Harbor Station, and in its variable component, \$1,873,893

of transaction and administrative expenses related to the divestiture of its entitlements in its purchased power contracts, Millstone 3 and Wyman 4. Exh. AG-1-18 (Att. B, Col. I, Col. J); Exh. AG-RR-15. The amount applicable to power supply, \$2,082,102, is fully mitigated and is just one percent of the total value of the portfolio being divested. FGE Initial Br. at 20. Both the amount and the activity for which it was incurred are within reason. FGE Initial Br. at 20.

Contrary to the Attorney General's assertions, there is nothing "circular" (AG Reply at 11) about identifying those reasonable costs that directly bring about a state-mandated event, that is asset divestiture, as costs that were occasioned by it. FGE Initial Br. at 21-24. Further, although the Attorney General argues that the General Court defined the elements of the transition charge (AG Reply at n.5), we note that neither the mitigation incentive (as defined in the Restructuring Settlements and in addition to a return on the fixed component of the access charge), the deferred undercollection associated with the transition cost, nor the recovery of revenues sufficient for state and federal income taxes are articulated in St. 1997. Yet the Department authorizes such recovery. See Western Massachusetts Elec. Co., D.T.E. 97-120 at 7. (1999). Consistent with a constitutional interpretation of the Act, these costs are appropriately included in FG&E's Transition Cost Adjustment. See FGE Initial Br. at 20-24; see also Boston Edison Co., D.T.E. 98-119, 198-126 at 31 (1999) (the General Court could not have anticipated every contingency in implementation of the Restructuring Act, nor did it try to).

- B. The Company's Standard Offer Service Revenue Reconciliation Adjustment is Lawful and Reasonable and Should be Approved.

As described above, the balance of administrative and general expenses associated with restructuring FG&E's electric division operations to provide retail choice, \$992,889, was allocated to the administrative and general costs incurred to establish standard offer and default service pursuant to FG&E's Plan and the Restructuring Act. See, FGE's Initial Br. at 27; Exh. AG-1-18 (Att. B, Col. E).

The Attorney General persistently claims that these costs are the same costs (“identical in function, if not in exact form”) as those included in the Company’s distribution rates. AG Reply at 12. However, the Company articulated in the record how and why these costs are not the same as costs represented in the rate level approved for its distribution service. FG&E Initial Br. At 25-28.

In the face of this, the Attorney General produced no substantial evidence to show that the administrative costs associated with procuring, establishing and maintaining standard offer service are services “identical in function” to distribution service, and not in addition to it. The Attorney General produced no substantial evidence to show how LERS/Logica is “identical in function” to some equivalent activity in distribution service, and not in addition to it. The Attorney General produced no substantial evidence to show how the activities undertaken to effectuate a complete restructuring of the Company, to accommodate the General Court’s requirement that standard service be offered and to provide retail choice, are activities “identical in function” to those historically associated with distribution service, and not in addition to it.

His position founders. For these reasons, as well as those articulated in the Company’s Initial Brief, FG&E’s Standard Offer Revenue Reconciliation Adjustment

should be approved.

C. The Company Correctly Calculated the Seabrook Asset

In spite of the running stream of sarcasm used by the Attorney General in his Reply, see, AG Reply at 5 - 9, this issue is not trivial. In addition to the 40 percent write-off taken during the year of the Settlement, the \$2.0 million write-off taken following the Department's Order in D.T.E. 97-115, and the fact that the Company is unlikely ever to earn the averaged 14 percent return it bargained for, FG&E will be forced to take an additional \$1.2 million write-off of the Seabrook Asset if the Attorney General prevails through his misinterpretations and mischaracterizations in this proceeding. This is no "bid for sympathy." AG Reply at 9. The Company's bargained-for 14 percent return has been disrupted by the accelerated write-off due to sales growth. Exh. RR-DTE-3. The Attorney General's apparent disregard for the harsh and severe regulatory and financial impact of this Settlement over time does not strengthen his arguments. The write-offs have had a real, bottom-line impact.

The Company should be able to rely on the Arthur Andersen Audit to demonstrate the appropriate level of the Seabrook asset. However, the Attorney General continues to claim that the auditors from Arthur Andersen "did not read" the Seabrook Settlement. AG Reply at 9. This misrepresents the record. Mr. Moriarty only testified he was unfamiliar with the Settlement. Tr. 3 at 337. However, the record is clear that Arthur Andersen correctly and completely met each of the protocols established by the Department and provided in the Report. Exh. AG-1. The only reasonable conclusion therefore, based on the evidence, is that someone else from the audit team read the

Seabrook Settlement to confirm its consistency. The Attorney General never asked this question.

The Company continues to believe the Arthur Andersen evaluation and audit were sound, and this is buttressed by the applicable law and substantial evidence presented to the Department in this proceeding.

The foundation of the Company's legal argument, which the Attorney General misrepresents but does not even try to rebut, is that the plain language of the agreement controls, and where such language is subject to two reasonable interpretations, extrinsic evidence may be admitted to demonstrate the parties' contemporaneous intent. FG&E Initial Br. at 32. The Attorney General is incorrect when he argues that the plain language of the term "income taxes" does not control the Department's interpretation of, and its prior approval of, the Seabrook Settlement. AG Reply at 9.

FG&E has confidence that its interpretation of the phrase "income taxes" reflects the term's common usage. The Attorney General's counter argument (AG Reply at 5-9) falters in light of the definition in Black's law dictionary: "*income tax*. A tax on an individual's or entity's net income." BLACK'S LAW DICTIONARY (West, 1999). Naturally construed, then, "income taxes" are the taxes (plural) on an entity's net income. The Attorney General's argument on Reply is weak at best when one considers the ordinary meaning attributed to the words "income taxes."

FG&E also has confidence in the strength of the extrinsic evidence in the record demonstrating the intent of the parties to have the revenue requirement be net of all taxes, including both state and federal income taxes: (a) FG&E's contemporaneous actions in recording both state and federal taxes as they were incurred; (b) the fact that

FG&E was suffering net losses which caused it not to pay state income tax in 1985 when the case was settled and Exh. B created; (c) the Settlement's assurance of a 14 percent averaged return; and (d) the total absence in the Settlement of any specific written intent to reduce FG&E's recovery of the return by the varying amounts imposed over time by state tax. FG&E's Initial Br. at 32-33.

The Attorney General's Reply flounders in light of the consistency in rate proceedings and in the Department's restructuring orders to ensure that the proper return in a rate proceeding, or in the calculation of transition cost, include "revenues sufficient to provide for . . . a combined state and federal income tax []." See, e.g. Western Massachusetts Elec. Co., D.T.E. 97-120 at 7 (1999). The genesis of this regulatory consistency is a 1922 precedent of the United States Supreme Court.

In Galveston Elec. Co. v. Galveston, the Supreme Court determined that all taxes were operating costs rather than reductions of investors' returns, and were necessary in the calculation of a fair return. Galveston, 258 U.S. 388, 399 (1922).

"In calculating whether a [certain rate] will yield a proper return, it is necessary to deduct from gross revenue the expenses and charges; and all taxes which would be payable if a fair return were earned are the appropriate deductions. There is no difference in this respect between state and federal taxes, or between income taxes and others."

Id.; see also Georgia Ry & Power Co. v. Railroad Comm'n, 262 U.S. 625, 632-33.

Accordingly, in practice since 1922, each of the many "kinds of taxes - property, income, sales, franchise, social security, and miscellaneous taxes - are classified as reasonable costs of service." C. Phillips, THE REGULATION OF PUBLIC UTILITIES (3RD ED.), at 260 (PUR, 1993). A fair return, such as the averaged 14 percent required under

the Seabrook Settlement, cannot be determined without a gross-up for state and federal income taxes, and given such precedent and the soundness of the premise, the Company had no reason, nor does the Attorney General proffer one, to bargain away this part of its recovery. See, FG&E's Initial Br. at 33 (absurd to assume FG&E would bargain using the vagaries of the state tax structure). Because of the demands of this regulatory precedent, the Attorney General must do more than claim that the *number* in the Exh. B to the Seabrook Settlement indicates a federal return (FG&E has already explained through extrinsic evidence why that is so).² The Attorney General must produce additional, affirmative evidence as to why the *words* of the Settlement or the Exh. B fail to limit the return to a level net of *federal* income taxes only. He has flatly failed to meet this burden.

There is extensive precedent in the area of promissory notes and bank drafts that words control over figures unless the words themselves are ambiguous. Uniform Commercial Code, Art. 3, sec. 3-114 (if an instrument contains contradictory terms, typewritten terms prevail over printed, handwritten terms prevail over both, and words prevail over numbers). France v. Ford Motor Credit Co., 323 Ark. 167 (1996); Gray v. Venters, 92 N.C. App. 589 (1989); United States v. Hibernia National Bank, 841 F.2d 592 (1988); Smith v. Rushing Construction Co., 84 N.C. App. 692 (1987); Mees v. Canino, 31 Colo. App. 514 (1972). While not controlling, this form of analysis clearly

² The Attorney General once again introduces extra-record cites by referencing a Settlement Agreement in D.P.U. 86-21-A that is not in evidence. The Attorney General has failed to demonstrate the relevance of D.P.U. 86-21 to the Seabrook Amortization, except perhaps that it was in a docket related to changes in the *federal income tax*. Nevertheless, in FG&E's view, it has nothing to do with the Seabrook Settlement's interpretation or construction.

lends further credence to FG&E's interpretation of the Settlement's Exh. B.

Having already flowed through substantial benefits to customers under the Settlement Agreement approval 15 years ago, it would be inequitable and unjust to now reinterpret the plain terms of a Settlement Agreement and abrogate the finality of the Department's orders. Therefore, the Company respectfully requests that the Department affirm the decision of its independent auditors and confirm the Company's ability to recover the Seabrook Asset unimpeded by future attacks on the remaining balance.

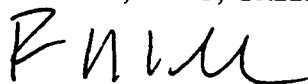
III. CONCLUSION

Wherefore, for all the reasons set forth in its Initial Brief and in this Reply Brief, Fitchburg Gas and Electric Light Company respectfully requests that the Department of Telecommunications and Energy approve its Electric Rate Reconciliation Adjustment filing, Exh. FGE-1, as modified by Exh. FGE-5 and Exh. FGE-6.

Respectfully submitted,

FITCHBURG GAS AND
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Dated: August 2, 2000

STATEMENT OF FACTS AND CONCLUSIONS OF LAW

1. This proceeding was initiated by the Department of Telecommunications and Energy (“Department”) to investigate the 1999 annual electric rate reconciliation filing (Exh. FGE-1) of Fitchburg Gas and Electric Light Company (“FG&E” or “Company”).

2. FG&E filed its Restructuring Plan pursuant to St. 1997, ch. 164 (“the Act”). See Fitchburg Gas and Elec. Light Co., D.T.E. 97-115/98-120 (Jan. 15, 1999); G.L. c. 164, sec. 1A(a).

3. Exh. FGE-1 uses the methodology and structure identified in the Company’s tariffs and in its Plan: transition cost reconciliation adjustment mechanism, standard offer service cost reconciliation adjustment mechanism, default service cost reconciliation adjustment, and transmission (external/internal) service cost adjustment mechanism. Tr. 2 (5/17/00) at 49-50; Exh. FGE-1 at Tab D.

4. The methodology, structure and content of Exh. FGE-1 is lawful and consistent with its approved plan and the Act.

5. These mechanisms, along with the costs included, were presented to the Department, and approved by the Department for implementation, in the Company’s previous reconciliation filings. See Exh. FGE-2, Exh. FGE-3, Exh. FGE-4.

6. Because retail access took place on 3/1/98, a year prior, FG&E made its first reconciliation on 5/5/99. Exh. FGE-2. This filing was approved by the Department on 5/31/99 Exh. FGE-4.

7. In order to accommodate the Restructuring Act's requirements that FG&E's rates reflect a 15% discount on September 1, 1999, FG&E made a July 30, 1999 filing in order to have tariffs on file to implement the discount on a timely basis. Exh. FGE-3.

8. This July 30 filing was supplemented as a result of discussions with Department staff and the supplemental materials were stamped approved by the Department on August 27, 1999. Exh. FGE-2.

9. The filing under scrutiny in this proceeding, Exh. FGE-1, is the third reconciliation since the filing of FG&E's compliance tariffs in March of 1999.

10. It is the first investigation of an FG&E annual electric rate adjustment mechanism filing since the completion of the Department-initiated formal audit of FG&E, conducted by the Department's independent auditors, the consulting and accounting firm of Arthur Andersen. Exh. AG-1; Exh. AG-2.

11. FG&E's reconciliation mechanisms should recover all reasonable costs that are consistent with the mandates of the Act constitutionally interpreted.

12. Where the Act does not either grant or prohibit recovery of the costs included by FG&E in the mechanisms, such reasonably incurred costs are appropriate for recovery if they are substantially consistent with the Plan and G.L. c. 164.

13. The Department, as an agency created by the will of the legislature, has only the authority delegated by the General Court. Hartford Accident & Indemnity Co. v. Commissioner of Ins., 407 Mass. 23, 27, 551 N.E.2d 502, 504 (1990); Metropolitan Dist. Comm'n v. Department of Pub. Utils., 352 Mass. 18, 26, 224 N.E.2d 502, 508 (1967).

14. The Department possesses a broad grant of authority to regulate the ownership and operation of regulated electric and gas companies in the Commonwealth. G.L. c. 164, sec.

76; Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111, at 17 (1998); Boston Edison Co., D.P.U. 97-113 (1998).

15. The Department's authority was supplemented by the Act. Boston Edison Co., D.P.U./D.T.E. 96-23, at 9 (1998).

16. Implementation of the Act must be done "with a consideration 'of the statute's purpose and history.'" Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 14 (1998), citing Sterilite Corp. v. Continental Casualty Co., 397 Mass. 837, 839 (1986).

17. When reviewing a company's proposal to sell its generating units, the Department considers the consistency of the proposed transaction with the company's restructuring plan, or as appropriate the company's restructuring settlement, and the Act. See, e.g., Boston Edison Co., D.T.E. 97-113 (1998); Massachusetts Elec. Co., D.T.E. 96-25 (Phase II) (1997); Massachusetts Elec. Co., D.P.U./D.T.E. 97-94 (1998); Cambridge Elec. Light Co., Commonwealth Elec. Co., Canal Elec. Co. Asset Divestiture, and Eastern Edison Co. and Montaup Divestiture, D.T.E. 98-78/83 (1998).

18. The Act provides that all proceeds from any such divestiture of generating facilities "that inure to the benefit of ratepayers, shall be applied to reduce the amount of the selling electric company's transition costs." G.L. c. 164, sec. 1A(b)(3).

19. Once the Department has approved a company's restructuring plan or settlement as consistent or substantially compliant with the Act, the Department approves the proposed ratemaking treatment of the proceeds of a divestiture if the proposed treatment is consistent with the approved restructuring plan or settlement.

20. The Department evaluates standard offer proposals in terms of their effect on the development of competitive generation markets, as well as for compliance with the Act's

specific requirements with regard to, inter alia, rate reduction and competitive procurement.

G.L. c. 164, sec. 1B(b); see Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120, at 20.

21. The Department's standard of SOS review ensures that standard offer service will "facilitate the transition to retail competition by establishing a schedule of generation or supply rates that increase over time, thereby encouraging customers to move into the competitive market during the transition period of standard offer service." Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120 at 16, 20.

22. The Department must ensure, at a minimum, that companies subject to it are not precluded from recovering the transition costs explicitly allowed them by the Act. Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 38.

23. The Act must be interpreted, within all reasonable parameters, "so as not to render it contrary to the terms of the Constitution." See Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 38, citing Federal Power Comm'n v. Hope Natural Gas Co., 320 U.S. 591, 605 (1944), Commonwealth v. S.S. Kresge Co., 267 Mass. 145, 148 (1929); Hayes v. City of Brockton, 313 Mass. 641, 645-6 (1943).

24. A company's actions are prudent if, based on all it knew or should have known at the time, the company's actions were reasonable in light of the circumstances that then existed. Boston Edison Co., D.P.U. 906 at 15; Boston Gas Co., D.P.U. 93-60 at 24 (1995).

25. "Where the Department determines that the [Company's] actions were reasonable and prudent, the costs associated with those actions generally qualify for recovery from ratepayers." Model Rules, D.P.U. 96-100 at 260.

26. The substantial evidence rule permits the Department to consider any evidence if it is the kind of evidence “a reasonable mind might accept as adequate to support a conclusion.” Almeida Bus Lines, Inc. v. Department of Pub. Utils., 348 Mass. 331, 341, 203 N.E.2d 556, 563 (1965); See G.L. c. 30A, sec. 11(2); Alexander J. Cella, *Administrative Law and Practice*, 38 Mass. Practice Series, Ch. 6, sec. 245.

27. The Department is bound by the “substantial evidence rule.”

28. The Department may not create or infer substantial evidence of an adverse nature merely by rejecting a party’s supporting testimony or evidence. See Cohen v. Board of Registration in Pharmacy, 350 Mass. 246, 251-2, 214 N.E.2d 63, 67 (1966); see also Salisbury Water Supply Co. v. Department of Pub. Utils., 344 Mass. 716, 721, 184 N.E.2d 44, 47 (1962).

29. In its approval of the Plan, the Department issued a number of directives in D.P.U./D.T.E. 97-115/98-120 that required the Company to modify the Plan. Tr. 2 (5/17/00) at 59-60; Exh. DTE-4-2; Exh. DTE-4-3.

30. The Company complied with each of those directives and each of the Department’s requirements. Tr. 2 (5/17/00) at 60; Exh. DTE-4-2; Exh. DTE-4-3.

31. The change undertaken by the Company to institute retail access for its customers is in no uncertain manner unprecedented. Tr. 2 (5/17/00) at 62.

32. As a result of the Commonwealth’s mandates in the Act, the Company divested its entitlements in its purchased power portfolio, divested its joint owned entitlements and an ownership interest in its generating assets, and has exited the power supply business in order to permit its franchise customers access to competitive power suppliers. Tr. 2 (5/17/00) at 62; Fitchburg Gas and Elec. Light Co., D.T.E. 99-58 (1999); Fitchburg Gas and Elec. Light Co.,

D.T.E. 98-121 (1998); see also Fitchburg Gas and Elec. Light Co., D.P.U.C. 98-12-23 (Connecticut, 1998).

33. The Company has mitigated all of its transition costs, including the costs associated with administrative and transaction costs. Tr. 2 (5/17/00) at 66; see also D.T.E. 99-58 (1999).

34. Exh. FGE-1 contains models that cover actual data from March 1998 through February 1999, with the exception of the default model, which covered actual data from March of 1998 through December of 1998 only. Tr. 2 (5/17/00) at 54.

35. The May 5, 1999 filing did not increase rates but reconciled and reset certain rates for effect June 1, 1999. The filing was stamped approved by the Department. Exh. FGE-4.

36. In the Company's July 30, 1999 filing, the reconciliation covered the period March 1998 through December 1999 (actual data through June of 1999). Exh. FGE-3; Tr. 2 (5/17/00) at p. 54.

37. The July 30 filing implemented the statutory requirement that rates be adjusted to produce a 15 percent rate decrease on September 1, 1999. Tr. 2 (5/17/00) at p. 54; G.L. c. 164, sec. 1(B)(b).

38. The July 30 filing included the results of the Company's power supply divestiture, the recommendations of the Arthur Andersen audit and the change in rate caps for inflation. Tr. (5/17/00) at 54; Exh. FGE-3; G.L. c. 164, sec. 1B(d).

39. The Company's July 30, 1999 filing reflected additional guidance provided by the Department on August 27, 1999 on the issues of the inflation adjustment and rate design issues. FGE-2; Tr. 2 (5/17/00) at 54.

40. The filing was approved on August 29, 1999, and the 15 percent rate reduction was implemented as of September 1, 1999, as required by the Act.

41. The Act required the Department to conduct a formal audit of the transition costs approved for recovery. M.G.L. c. 164, sec. 1G(a)(1).

42. The Department engaged Arthur Andersen to conduct the audit. Tr. 1 (5/11/00) at 5.

43. The proposal of Arthur Andersen established a detailed work program with 60 to 70 audit procedures. Tr. 1 (5/11/00) at 6.

44. At the conclusion of the audit, Arthur Andersen issued a report. Tr. 1 (5/11/00) at 7 (Fitchburg Gas and Electric Light Company Calculation of Transition Charge Together with Report of Independent Public Accountants' Report on Applying Agreed-Upon Procedures).

45. The Arthur Andersen audit team conducted its audit pursuant to generally accepted auditing standards (GAAS) and applied generally accepted accounting principles adding, in FG&E's case, significant additional procedures to test the controls and information reporting for FG&E. Tr. 1 (5/11/00) at 16.

46. Arthur Andersen has not audited FG&E before this engagement. Tr. 4 (5/31/00) at 330.

47. FG&E implemented each of the recommendations contained by Arthur Andersen in its report to the Department. Tr. 4 (5/31/00) at 242.

48. The transition cost adjustment is calculated in accordance with the Company's tariff, MDTE No. 36. Tr. 2 (5/17/00) at 52.

49. The uniform transition charge, required pursuant to Department order, was set at .01290 per kWh in order to meet the required rate cap. See Tr. 2 (5/17/00) at 52; Fitchburg Gas and Elec. Light Co., D.P.U./D.T.E. 97-115/98-120 (1999) at p. 40.

50. The transition cost adjustment is calculated by adding the reconciliation for 1999 to the total forecast costs for 2000. Tr. 2 (5/17/00) at 52.

51. The Company's 1999 reconciliation would have mathematically generated an adjustment of \$0.01166 per kWh. Tr. 2 (5/17/00) at 52; Exh. FGE-1 at Tab D, p. 110.

52. Because the Company is subject to the statutory rate cap, the Company proposed an adjustment of \$0.00, resulting in an undercollection. Tr. 2. (5/17/00) at 52-53; Exh. FGE-1 at Tab D, p. 110.

53. In Exh. FGE-1, the Company made a calculation that adjusted the value of the FAS 109 balance, according to a calculation that was reviewed by and an adjustment that was recommended by the Department's independent auditors of FG&E's transition cost, Arthur Andersen. Tr. 4 (5/31/00) at 351; Exh. AG-2-10.

54. FG&E is entitled to recover in future rates unrecovered Deferred Tax Liabilities which, until the adoption of FAS 109 in 1993, were not "normalized" for certain timing differences for book accounting and ratemaking purposes.

55. The Company recalculated the FAS 109 estimate contained in its original Plan. Tr. 2 (5/17/00) at 87.

56. In light of the historic nature of the information available, the dated nature of the calculation from 1992, and the impact of mass asset accounting, the Company was required to use an allocation methodology to calculate FAS 109 by component. Tr. 2 (5/17/00) at 87-88.

57. The Company calculated its FAS 109 by looking at the deferred taxes related to depreciation for generation assets as they relate to deferred taxes and depreciation for all assets, and allocated FAS 109 accordingly. Tr. 2 (5/17/00) at 88.

58. The calculation and allocation methodology resulted in a \$2.2 million decrease in the FAS 109 Regulatory Asset as compared to the Plan. Tr. 2 (5/17/00) at 88.

59. The Department's independent auditors found the FAS 109 calculation *and the allocation methodology* proposed by FG&E for transition cost recovery to be reasonable and in accordance with the accounting principles proscribed in FAS 109. Compare Tr. 4 (5/31/00) at 352-3 with Tr. 4 (5/31/00) at 407.

60. The FAS 109 balance included in Exh. FGE-1 is reasonable and should be approved. Tr. 3 (5/30/00) at 306.

61. Calendar-year recovery of the return in the first year of retail access was identified in the Company's Restructuring Plan. Exh. DTE-4-1, Tab E; see D.P.U./D.T.E. 97-115/98-120 (plan approved); Tr. 2 (5/17/00) at p. 75.

62. The return contained in the Plan consists of 12 months of return recovered in the appropriate 10 months, for the first year of retail access only. Tr. 4 (5/31/00) at 300-1.

63. FG&E filed for an effective rate of a 12 month return in the first (10 months) year of retail access, consistent with FG&E's approved Plan. Tr. 2 (5/17/00) at p. 75.

64. FG&E included a return in its transition charge for the capital additions placed into service after 12/31/95 for the period of the retail access date (after 3/1/98) through the date of divestiture. Exh. FGE-1; Tr. 2 (3/17/00) at 80.

65. This return was consistent with its Plan. Exh. DTE-5-25.

66. The appropriate place to earn the carrying charge for these plant additions is in the fixed component of the access charge. Tr. 2 (3/17/00) at 80; Tr. 3 (5/30/00) at 290.

67. FG&E included transaction and administrative costs incurred by FG&E since 1997 to effectuate the many aspects of industry restructuring. See Exh. AG-1-11; Exh. AG-1-18.

68. The Company has included \$208,210 in its residual value credit for transaction and administrative costs associated with the divestiture of its ownership interest in New Haven Harbor Station. Exh. AG-1-18.

69. FG&E has included \$1,873,893 of transaction and administrative cost in the variable component of the transition charge for the divestiture of its purchased power, Millstone 3 and Wyman 4 entitlements.

70. The total cost included for transition and administrative expenses, \$2,082,102, is approximately one percent (1%) of the total value of the generation assets and purchased power portfolio divested by FG&E.

71. None of the costs included are costs for which the distribution company was prepared or for which it is responsible to absorb as a matter of law or regulatory policy. Tr. (5/30/00) at 272-275; Exh. AG-1-18.

72. Transaction and administrative costs, reasonably incurred, are eligible for recovery in the respective area of these reconciliation mechanisms to which the cost pertains. See Exh. AG-1-11.

73. Transaction and administrative costs associated with restructuring are correctly recovered as part of the cost of divesting generation and purchased power contracts.

74. Reasonable costs of achieving mitigation are a component of transition cost. G.L. c. 164, sec. 1) (mitigation is any market value in excess of net book value)

75. Divestiture proceeds are net of tax effects and less any other adjustments approved by the Department that inure to the benefit of ratepayers. G.L. c. 164, sec. 1A(b)(3) (d).

76. FG&E's Plan permits economic buy-out payments to include *all reasonable payments* associated with costs incurred to reduce payments under the long-term contracts. Exh. DTE-4-1, Exh. 1, p. 6.

77. It is appropriate for the Company to continue to recover such transaction and administrative costs through the variable component of FG&E's transition cost. Tr. (5/17/00) at 62; Exh. AG-1-11.

78. The Department has held that the Act "must be interpreted as not to render it contrary to the terms of the Constitution." Cambridge Electric Light Co., D.P.U/D.T.E. 96-23, at 31-32

79. The use of the 1995 cost study by the Attorney General is contrary to the Department's procedural rules regarding the introduction of evidence on brief without a motion.

80. The 1995 cost study does not include any of the additional activities directly a consequence of the Commonwealth's mandate for retail access. Exh. RR-AG-8; Exh. RR-AG-12; Exh. AG-1-11 (LERS/Logica).

81. The means of getting to a reformulation of the industry necessarily required the assistance of consultants, financial experts, lawyers and service company personnel.

82. The requirements of the statute created unavoidable incremental costs for FG&E which are properly recovered as part of the costs incurred by it to accomplish the legislative end, that is, retail access to all customers and the permanent restructuring of the Company's business. Tr. 2 (5/17/00) at 63.

83. The transaction and administrative costs in Exh. FGE-1 are the costs of implementing divestiture, unbundling and provision of customer choice. Tr. 2 (5/17/00) at 63; Exh. AG-1-18.

84. These are extraordinary costs that were not included in the 1995 cost of service study used to unbundle FG&E's rates. See Exh. AG-2-2.

85. The Company's standard offer service was implemented in order to assist customers in the transition to the competitive market. Exh. DTE-4 at V.1.

86. Standard offer service is a new service; it is in no way part of the bundled electric service formerly provided by the electric division of FG&E. Tr. (5/17/00) at 62-3.

87. Standard offer service would not have been possible to provide without a complete restructuring of FG&E's bundled electric operations. Exh. DTE-4 at V.2.

88. The Attorney General's reference to FG&E's comments in D.T.E. 99-60 are inapposite.

89. There is no need to move non-power costs from the distribution component of customers' bills. In D.T.E. 99-60, there was discussion about moving an allocated share of costs, such as bad debt and collection costs, metering, billing, account maintenance and customer service costs, to the Default Service price. FG&E did not/does not support that idea. Bad debt and collection costs, metering, billing, account maintenance and customer service costs are the normal operational costs that are part of distribution rates.

90. The costs presented in Exh. FGE-1 are not distribution costs and are not part of FG&E's distribution rates.

91. In Exh. FGE-1, the standard offer service revenue reconciliation adjustment is calculated in accordance with the Company's tariff MDTE No. 44.

92. The standard offer revenue reconciliation adjustment is calculated by adding the reconciliation for 1999 to the total forecast costs for 2000. Tr. 2 (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110.

93. The Company's 1999 reconciliation would have mathematically generated an adjustment of \$0.01799 per kWh. Tr. 2 (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110.

94. Because the Company is subject to the statutory rate cap, the Company proposes an adjustment of \$0.00, resulting in an undercollection. Tr. 2. (5/17/00) at 53; Exh. FGE-1 at Tab D, p. 110.

95. LERS/Logica has no other purpose but to facilitate standard offer service, default, and competitive power supply markets. Exh. RR-AG-8; Exh. RR-AG-12; Exh. DTE-1-2; Exh. AG-1-12.

96. The Company identified its intent to implement the LERS/Logica load estimating system in the Plan filed in 1997. Exh. DTE 1-4 at Tab D, VII.2-VII-4.

97. LERS/Logica would not have been necessary "but for" the institution of standard offer service and competitive power markets. Exh. AG-1-12.

98. A restructuring company providing standard offer service cannot be precluded from collecting "all of the reasonable costs incurred in providing standard offer service at the mandated rate reductions. . ." Cambridge Elec. Light Co., D.P.U./D.T.E. 97-111 at 37; Exh. AG-1-12.

99. FG&E's Plan provides that the standard offer service reconciliation must include a reconciliation of the "revenues billed to retail customers taking [standard offer service] with the *costs* incurred to provide the service." Exh. DTE-4-1, at Tab D, V.5-V.6.

100. The tariff, MDTE No. 44, provides that “revenues billed to retail customers taking [standard offer service] with the *costs* incurred to provide the service.”

101. The Department approved the recovery of standard offer costs in the SOS reconciliation. D.P.U./DTE 97-115 at 73-74.

102. The costs incurred by FG&E include the costs of the standard offer auction (Exh. DTE-4-1 at V.2-V.5), the contract negotiations, the regulatory proceedings to ensure approval, and an allocation of the restructuring costs incurred by FG&E to understand the reformulation of the Massachusetts electric industry and associated with restructuring its operations to permit standard offer service. Exh. RR-AG-8; Exh. AG-1-11.

103. The recovery of these costs is not only consistent with FG&E’s Plan and its tariffs, it is consistent with a constitutional interpretation of the Act.

104. The Supreme Court has stated that the Takings Clause bars “[g]overnment from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.” Armstrong v. United States, 364 U.S. 40, 49 (1960); see also McAndrews v. Fleet Bank of Massachusetts, 989 F.2d 13, 18 n. 7 (1st Cir. 1993).

105. The Department has permitted administrative costs to be recovered as part of default service, another statutorily mandated service established by the Act. Default Service Pricing, D.T.E. 99-60-B (2000).

106. They are appropriately recoverable in kind and amount under the standard offer revenue reconciliation adjustment mechanism.

107. The Attorney General's proposal that FG&E's 1998 power supply costs for standard offer and default service should be limited to the power supply costs embedded in, or that can be imputed from, a 1983 base rate proceeding is devoid of record support.

108. G.L. c. 164, sec. 1B(d) requires each distribution company to provide a default service, that such service be competitively procured, that the rate comport with the Act, and that default service permit a uniform payment option. G.L. c. 164, sec. 1B(d).

109. The Department implemented rules to establish default service. 220 C.M.R. sec. 11.04.

110. The Department also required the distribution companies to use their standard offer service price as the proxy for the rate established by the Act. See Investigation by the Department of Telecommunications and Energy on its own Motion into the Pricing and Procurement of Default Service Pursuant to G.L. c. 164, sec. 1B(d), D.T.E. 99-60-B (June 30, 2000).

111. The Department also permits companies to include the incremental administrative costs associated with providing default service in the default service price. Default Service, D.T.E. 99-60-B at 19 (the inclusion of administrative costs in the price of default service sends the right price signal).

112. The default service adjustment is calculated in accordance with the Company's tariff MDTE No. 40. Tr. 2 (5/17/00) at 53-54; Exh. FGE-1 at Tab D, p. 116.

113. The Company's tariff requires that at the end of each calendar year the Company reconcile any balances as a credit or charge on its transition cost. Tr. 2 (5/17/00) at 54.

114. Since the transition cost adjustment was set at the maximum amount under the rate cap, the Company rolled the default service balance into the transition charge. Tr. 2 (5/17/00) at 53; Exh. DTE-5-23.

115. The external transmission charge recovers on a fully reconciling basis the FERC-approved billings to the Company, associated with the Regional Transmission Group. Exh. DTE-4 at IV.3.

116. The external transmission charge also recovers costs associated with the Independent System Operator or any other transmission provider and which the Company has authorization to recover from retail customers. Exh. DTE-4 at IV.3.

117. The Department approved the Company's recovery of an external transmission charge. D.P.U./D.T.E. 97-115 at 1,31; Exh. DTE-4-1.

118. The external transmission charge is calculated in accordance with the Company's tariff MDTE No. 35. Tr. 2 (5/17/00) at 51.

119. The internal transmission component recovers fully (1) the transmission charges applicable to retail customers under the Company's FERC-approved Open Access Transmission tariff; and (2) the Company's Pool Transmission facilities revenue requirement as included in NEPOOL's Open Access Transmission tariff. Exh. DTE-4-1 at IV.3.

120. The Department approved the Company's recovery of an internal transmission charge. D.P.U./D.T.E. 97-115 at 1; Exh. DTE-4-1.

121. The internal transmission service cost adjustment as filed in Exh. FGE-1 is calculated in accordance with the Company's tariff MDTE No. 34. Tr. 2 (5/17/00) at 51-52.

122. The calculation proffered by FG&E to determine the state tax benefit provided ratepayers under the Seabrook Settlement was reviewed by the Department's independent auditor, Arthur Andersen, and determined to be reasonable. Tr. (5/17/00) at 60; Exh. AG-3-3.

123. The Settlement Agreement clearly provides that the principal amount to be amortized is grossed up for "income taxes" and recovered as part of the amortization. Exh. AG-

2-5, Settlement Agreement, D.P.U. 85-235, Exh. B (D.T.E. 97-115)(Administrative Notice Taken)(“Exh. B”).

124. The doctrine of “exclusion by implication” claimed by the Attorney General to apply in the Department’s construction of the Settlement in D.P.U. 85-235 and its Exh. B is inapposite.

125. The applicable rule for construing the Seabrook Settlement Agreement is that in an unambiguous agreement, the plain language of the contract controls. Cody v. Connecticut General Life Ins. Co., 387 Mass. 142, 146-7, 439 N.E. 2d 234 (1982).

126. A court may find ambiguity where there are two rational interpretations of the contractual language. Hazen Paper Co. v. United States Fidelity & Guaranty Co., 407 Mass 689, 700, 555 N.E.2d 576 (1990).

127. “The object of the court is to construe the contract as a whole, in a reasonable and practical way, consistent with its language, background and purpose.” USM Corp. v. Arthur D. Little Systems, Inc., 28 Mass App. Ct. 108, 116, 546 N.E.2d 888 (1989), rev. denied, 406 Mass. 1104, 550 N.E.2d 396 (1990).

128. The Settlement is not ambiguous.

129. The phrase “income taxes” denotes a plural, for more than one kind of taxes. BLACK'S LAW DICTIONARY (West, 1999).

130. At the time the Exh. B was calculated, FG&E was in a net operating loss position (with no tax carry-forwards or carry-backs) and therefore paid no state income tax. Tr. (5/17/00) at 89-91.

131. From the minute the amortization was calculated, FG&E consistently booked state income tax and federal income tax to it. Tr. (5/17/00) at 89-91.

132. Contemporaneous actions are indicative of the intent of the parties. See Shea v. Bay State Gas Co., 383 Mass. 218, 222-223, 418 N.E. 2d 597 (1981).

133. The Settlement articulated that the Company agreed to write off 40 percent of its book investment in Seabrook Unit 2. D.P.U. 85-235.

134. FG&E took a 40 percent write off of its book investment when it agreed to the Seabrook Settlement. D.P.U. 85-235 (1985).

135. It agreed to provide ratepayers with the initial benefits, while it waited until the later years to recoup that which was promised it in the deal. D.T.E. 97-115/98-120 at p. 54.

136. In spite of the 14 percent averaged return on the unamortized balance promised FG&E in the Seabrook Settlement (and approved by the Department), FG&E has earned under 10 percent return in the whole period. Tr. 4 (5/30/00) at 313-4.

137. In 1998, as a result of the Department's approval of the Plan, FG&E wrote off another \$2 million in investment as part of the Department's attempt to ensure that FG&E earned no *more* than 14 percent averaged return bargained for in the agreement. See Tr. 3 (5/30/00) at 312-3; D.T.E. 97-115/98-120 at 55.

138. Each of the many "kinds of taxes – property, income, sales, franchise, social security, and miscellaneous taxes – are classified as reasonable costs of service." C. Phillips, THE REGULATION OF PUBLIC UTILITIES (3RD ED.), at 260 (PUR, 1993).

139. A fair return, such as the averaged 14 percent required under the Seabrook Settlement, cannot be determined without a gross-up for state and federal income taxes. Galveston Elec. Co. v. Galveston, 258 U.S. 388, 399 (1922).

140. The Attorney General proffers no substantial evidence why FG&E would bargain away a return net of state tax but not net of federal tax.

141. The Attorney General's argument regarding the pro form calculation is completely unsupported by the record.

142. The pro forma calculation does not reflect the fact that the Company (when it established the SAS) did not receive a state tax benefit of the level asserted or implied by the Attorney General in this calculation.

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No: DTE 99-110
Attorney General's First Set of Information Requests

Request No.: AG1-18

Please provide supporting documentation for the \$208,000 of transaction costs associated with the divestiture of generating assets.

Response:

Total divestiture costs were allocated between generation and purchased power as shown on Exhibit AG-1-18, Page 1 of 4 (this worksheet was also Attachment IR-DTE-1-6B, Page 91, of the Company's response to DTE data request IR-DTE-1-6).

The \$208,000 represents the portion of restructuring costs allocated to the divestiture of generation assets that was included in the calculation of the Residual Value Credit.

Person Responsible: Barbara Smith

Master	Yr. Reported	Description of Work Performed	Activity by Account		Restructuring (1)		Divestitures Calculated		Total Divest.		Total Divestiture Split between Generation & Purchased Power (2)		
			Total Cost	Restructuring	Divestitures	Divestiture 80% net	General 40% net	90% from Restruct.	Account Activity	Generation	Purchased Power		
Leland Lamb	1987	General Restructuring	71,279.20	71,279.20		42,787.52	28,511.68	42,787.52	-	42,787.52	4,276.75	38,490.77	
	1988	General Restructuring	139,950.42										
		Gen Plant, Hardware, Software	85,305.72										
		Gen Plant, Construction Work	7,989.36										
			232,651.50			137,321.93	91,547.95	137,321.93	4,081.82	141,403.55	14,140.35	127,263.19	
1989	Gen Plant, Solid Fuel, Software, Purchase of Divestiture Interests of 100%	160,783.59											
	Gen Plant, 100%, Divest of Assets	50,151.30											
		210,934.89				41,075.12	27,383.41	41,075.12	142,478.36	183,551.48	18,355.15	165,196.33	
	Total Leland		515,165.59	308,607.81	146,557.98	221,104.57	147,443.04	221,104.57	146,557.98	367,722.55	36,772.25	330,950.29	
The Northridge Group	1989	Purch Power Comb (Hardware)	72,735.64	72,735.64		-	-	-	72,735.64	72,735.64	7,273.56	65,462.08	
	1989	NU Deal	41,544.25	11,325.89	30,218.56	6,795.41	4,530.26	6,795.41	30,218.56	37,013.97	3,701.40	33,312.58	
Total Northridge			114,279.89	11,325.89	102,954.20	6,795.41	4,530.26	6,795.41	102,954.20	109,749.81	10,974.96	98,774.85	
Stone & Webster	1989	Divestiture of Generating Assets	92,820.83	92,820.83		-	-	-	92,820.83	92,820.83	9,282.08	83,538.75	
	1989	Divestiture of Generating Assets				-	-	-	-	-	-	-	
Total Stone & Webster			92,820.83	92,820.83		-	-	-	92,820.83	92,820.83	9,282.08	83,538.75	
Systems Development Contractors	1987	General Restructuring	4,495.00	4,495.00		2,697.00	1,798.00	2,697.00	-	2,697.00	269.70	2,427.30	
	1988	General Restructuring	484,299.10	484,299.10		296,579.46	197,719.64	296,579.46	-	296,579.46	29,657.95	266,921.51	
	1989	General Restructuring	50,502.00	50,502.00		30,301.20	20,200.80	30,301.20	-	30,301.20	3,030.12	27,271.08	
	Total Sys. Dev. Contractors		549,296.10	549,296.10		329,577.66	219,718.44	329,577.66	-	329,577.66	32,957.77	296,619.89	
Other Expenses	1987	General Restructuring				-	-	-	-	-	-	-	
	1988	General Restructuring	21,231.24	14,108.45	7,122.79	8,465.07	5,643.36	8,465.07	7,122.79	15,587.86	1,558.79	14,029.07	
	1989	General Restructuring	4,181.31	171.46	4,019.85	102.86	68.58	102.86	4,019.85	4,122.73	412.27	3,710.45	
	Total Other Expenses		25,412.55	14,279.91	11,142.64	8,567.95	5,711.94	8,567.95	11,142.64	19,710.59	1,971.06	17,739.53	
UNC DE	1987	UNC Int - restructuring efforts	584,799.81	584,799.81		350,879.89	233,919.92	350,879.89	-	350,879.89	35,087.99	315,791.90	
	1988	UNC Int - restructuring efforts	805,145.18	759,297.50	110,847.66	454,978.50	303,319.00	454,978.50	110,847.66	565,826.16	56,582.62	509,243.56	
	1989	UNC Int - restructuring efforts	324,082.70	195,818.27	128,448.43	117,369.76	78,248.51	117,369.76	128,448.43	245,816.19	24,581.82	221,234.37	
	Total UNC DE		1,714,007.69	1,539,713.58	239,294.11	923,228.15	615,485.43	923,228.15	239,294.11	1,162,522.26	116,252.23	1,046,270.03	
Total		3,074,982.45	2,482,222.89	592,769.56	1,489,333.73	992,889.16	1,489,333.73	592,769.56	2,082,103.28	208,210.33	1,873,892.96		
											(H + 10%)	(H + 90%)	

(1) Restructuring costs allocated between general restructuring and divestiture based on the ratio of 3/1/98 R-1 rate attributable to energy supply (80%) and Transmission and Distribution (40%).

(2) Divestiture costs allocated between Generation Assets and Purchased Power contracts based on the NPV of estimated stranded assets.

(3) Costs related to the divestiture of the Generation Assets was allocated on the basis of net plant investment of Milestone 3 and Weyman 4. Total Generation net plant investments as of 5/31/98 were \$1,000 million for Milestone 3 and \$1,000 million for Weyman 4.

(4) Costs related to the divestiture of the Generation Assets was allocated on the basis of net plant investment of Milestone 3 and Weyman 4. Total Generation net plant investments as of 5/31/98 were \$1,000 million for Milestone 3 and \$1,000 million for Weyman 4.

FHC, Gas & Electric Light Company
Reconciliation of Deferred Debits Related to Massachusetts Restructuring
3 year amortization period, starting March 1998

Exhibit 1-18
Page 2 of 4

Month	Description	Restructuring	Direct Divest	Adjustments	Total Deferred	Cumulative Deferred	(Total \$ / 0.000 Months) Monthly Amort (1)	(Total Amort to date) Total Monthly Amortization (2)	Cumulative Amortization	Total Deferred Balance Remaining
Sep-97										
	Leasehold Lamb (Prior to 987)	211,305			211,305					
	Total	211,305	-		211,305	211,305				
Oct-97										
	Leasehold Lamb (Legal)	29,450			29,450					
	Total	29,450	-		29,450	240,755				
Dec-97										
	Leasehold Lamb (Legal)	41,829			41,829					
	Accurate Consulting	4,495			4,495					
	OS USC Bill (O&M)	373,495			373,495					
	Total	419,819	-		419,819	660,574				
Jan-98										
	Misc Other Expenses	260			260					
	OS USC Bill (O&M)	111,624			111,624					
	Total	111,884	-		111,884	772,458				
Feb-98										
	Judge Technical	16,253			16,253					
	Mid Range	600			600					
	Misc Other Expenses	811			811					
	OS USC Bill (O&M)	96,234			96,234					
	Stone & Webster	23,130			23,130					
	Total	112,898	23,130		136,027	908,485				
Mar-98										
	Accurate Consulting	57,289			57,289					
	Judge Technical	19,580			19,580					
	Mid Range	750			750					
	Misc Other Expenses	2,291			2,291					
	OS USC Bill (O&M)	94,640			94,640					
	Stone & Webster	9,269			9,269					
	Total	174,549	9,269		183,818	1,092,303		29,442 (3)	29,442	1,062,862
Apr-98										
	Accurate Consulting	32,470			32,470					
	Judge Technical	10,780			10,780					
	Mid Range	750			750					
	Misc Other Expenses	9,331			9,331					
	OS USC Bill (O&M)	89,677			89,677					
	USC Bill Correction	112,934			112,934					
	Stone & Webster	8,696			8,696					
	Total	235,942	8,696	-	244,638	1,336,941		32,956 (3)	62,398	1,274,543
May-98										
	Accurate Consulting	33,397			33,397					
	Judge Technical	14,795			14,795					
	Mid Range	600			600					
	Misc Other Expenses	535			535					
	OS USC Bill (O&M)	81,913			81,913					
	Total	101,240	-		101,240	1,438,181		39,271 (3)	101,669	1,336,513
Jun-98										
	Accurate Consulting	39,495			39,495					
	Judge Technical	5,445			5,445					
	Mid Range	525			525					
	OS USC Bill (O&M)	105,321	50,633		155,954					
	Stone & Webster	3,964			3,964					
	Total	150,786	54,597		205,383	1,643,564		52,846 (3)	154,515	1,489,049
Jul-98										
	Accurate Consulting	32,098			32,098					
	Judge Technical	13,943			13,943					
	Mid Range	2,400			2,400					
	Leasehold Lamb (Legal)	183,767	6,954		190,721					

Fitch s & Electric Light Company
Recon. on of Deferred Debits Related to Massachusetts Restructuring
3 year amortization period, starting March 1996

Exhibit 1-18
Page 3 of 4

Month	Description	Restructuring	Direct Divest	Adjustments	Total Deferred	Cumulative Deferred	(Total S / 6 term, Months) Incremental Monthly Amort (1)	(Total Amort to date) Total Monthly Amortization (2)	Cumulative Amortization	Total Deferred Balance Remaining
Aug-96	OS USC Bill (O&M)	20,121	13,281		33,411					
	Stone & Webster		6,818		6,818	1,922,953		55,264 (3)	208,779	1,713,174
	Total	252,326	27,063		279,389					
Sep-96	Accurate Consulting	36,991			36,991		1,193			
	Mid Range	600			600		19			
	OS USC Bill (O&M)	23,690	8,013		31,673		1,022			
	Total	61,251	8,013		69,264	1,992,217		57,498	267,277	1,724,940
Oct-96	Accurate Consulting	22,797			22,797		760			
	Judge Technical	8,590			8,590		286			
	Mid Range	4,162			4,162		139			
	Leboeuf Lamb (Legal)	39,630			39,630		1,321			
	Misc Other Expenses	202			202		7			
	OS USC Bill (O&M)	24,231	3,698		28,119		937			
	Stone & Webster		18,550		18,550		618			
	The Northbridge Group	9,602			9,602		320			
	Total	99,602	32,040		131,642	2,123,859		61,890	328,163	1,794,696
Nov-96	Accurate Consulting	40,590			40,590		1,400			
	Judge Technical	19,618			19,618		642			
	Mid Range	14,900			14,900		514			
	OS USC Bill (O&M)	16,359	12,852		29,211		1,007			
	Amortization Adjustment						388			
	The Northbridge Group	59,107			59,107		2,038			
	Total	80,406	71,890		152,226	2,286,285		67,875	397,038	1,889,247
Dec-96	Accurate Consulting	21,784			21,784		776			
	Judge Technical	8,590			8,590		308			
	Mid Range	14,538			14,538		519			
	Misc Other Expenses	685	7,123		7,786		278			
	OS USC Bill (O&M)	17,218	10,654		27,872		995			
	Total	62,784	17,777		80,561	2,366,846		70,752	467,791	1,899,055
Jan-99	Accurate Consulting	23,982			23,982		888			
	Judge Technical	11,550			11,550		428			
	Mid Range (adjustment)	(14,538)			(14,538)		(538)			
	Leboeuf Lamb (Legal)	5,473	2,516		7,989		296			
	Misc Other Expenses	13			13		0			
	OS USC Bill (O&M)	15,367	11,516		26,883		998			
	Stone & Webster		22,395		22,395		829			
	The Northbridge Group	4,026			4,026		149			
	Total	41,847	40,453		82,300	2,449,146		73,801	541,591	1,907,554
Feb-99	Accurate Consulting	15,053			15,053		579			
	Mid Range	450			450		17			
	Misc Other Expenses	46	3,678		3,724		143			
	OS USC Bill (O&M)	53,178	13,042		66,220		2,547			
	Total	68,727	16,720		85,447	2,534,592		77,067	618,678	1,915,914
Mar-99	Misc Other Expenses	85			85		3			
	OS USC Bill (O&M)	33,689	10,414		44,102		1,764			
	Total	33,774	10,414		44,187	2,578,780		78,854	697,533	1,881,247
Apr-99	The Northbridge Group	9,071			9,071		378			
	Leboeuf Lamb (Legal)		(5,386)		(5,386)		(225)			
	Misc Other Expenses	23,690	342		33,530		14			
	OS USC Bill (O&M)	32,761	9,840		37,555		1,397			
	Total	32,761	4,794		37,555	2,616,334		80,419	777,952	1,838,382

Fitch, Inc. & Electric Light Company
Reconciliation of Deferred Debits Related to Massachusetts Restructuring
3 year amortization period, starting March 1996

Exhibit 1-18
Page 4 of 4

Month	Description	Restructuring	Direct Cost	Adjustments	Total Deferred	Cumulative Deferred	Monthly Amort (1)	Total Amort to date (2)	Cumulative Amortization	Total Deferred Balance Remaining
	Leboeuf Lamb (Legal)	13,641	36,310		50,151		2,180			
	The Northbridge Group	2,255	6,469		8,724		376			
	Misc Other Expenses	75			75		3			
	Amortization Adjustment						(449)			
	OS USC Btl (O&M)	26,066	8,329		36,417		1,583			
	Total	42,256	51,108		95,367	2,711,702		84,117	862,069	1,849,633
May-99										
	Leboeuf Lamb (Legal)	25,733	10,266		36,001		1,636			
	Misc Other Expenses	(75)			(75)		(3)			
	OS USC Btl (O&M)	6,354	8,613		14,967		680			
	Total	32,012	18,880		50,893	2,762,594		86,430	948,499	1,814,095
Jun-99										
	Leboeuf Lamb (Legal)	2,050	15,876		17,926		854			
	Misc Other Expenses	40			40		2			
	OS USC Btl (O&M)	5,859	20,732		26,591		1,271			
	Total	8,050	36,610		44,659	2,807,253		88,557	1,037,057	1,770,197
Jul-99										
	Judge Technical	5,053			5,053		253			
	The Northbridge Group		17,430		17,430		871			
	OS USC Btl (O&M)	14,481	10,914		25,404		1,270			
	Reclass to Stranded Asset			(134,199)	(134,199)		(8,710)			
	Total	19,544	28,343	(134,199)	(66,311)	2,720,942		84,242	1,121,266	1,599,644
Aug-99										
	Judge Technical	18,755			18,755		987			
	Leboeuf Lamb (Legal)	8,578	6,238		14,817		780			
	OS USC Btl (O&M)	10,700	16,364		27,064		1,426			
	Total	38,033	22,632		60,665	2,781,608		87,434	1,208,733	1,572,875
Sep-99										
	Judge Technical	7,409			7,409		412			
	Leboeuf Lamb (Legal)	18,255	73,783		92,038		5,113			
	OS USC Btl (O&M)	10,814	15,229		26,044		1,447			
	Total	36,478	89,012		125,490	2,907,098		94,406	1,303,139	1,803,959
Oct-99										
	Judge Technical	3,782			3,782		222			
	The Northbridge Group		6,320		6,320		372			
	OS USC Btl (O&M)	8,854	14,940		23,594		1,388			
	Total	12,436	21,260		33,696	2,940,794		96,398	1,399,527	1,541,267
	Total	2,482,223	582,770	(134,199)	2,940,794					
	Generation Stranded Assets as of 5/31/99				134,199					
	Total Costs - less to Transaction Costs Worksheet				3,074,992					

- (1) This column represents the monthly expense increase, divided by the number of months remaining to amortize the costs
(2) This column represents the actual amortization recorded for each month. The monthly amortization increases each month by the amount of the incremental monthly amortization
(3) Estimated Amortization

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the Department's Second Set of Information Requests

Request No.: DTE 2-1

Please provide revised customer bill comparisons for the proposed rates provided in the September 27th technical session versus rates currently in effect. Expand the G2 class to include a high-medium-low bandwidth on load factors. Expand the G3 class to include a high-medium-low bandwidth on load factors and on-peak percent of usage.

Response:

The requested bill impacts are shown in Attachment DTE-2-1. The Company has prepared these assuming a 6 month recovery of the prior fuel adjustment deferrals for the period April through September 2000 as demonstrated in Attachment DTE-AG-1. The effective rate for SOS service is \$0.05371 per kWh as shown on line 8 of Attachment DTE-AG-1. The G2 class bill impacts have been expanded to show impacts for customers with load factors in the 20%, 35%, and 50% range. The G3 class bill impacts have been expanded to show on-peak percent usage in the 43%, 48%, and 60% ranges. 48% is the average and the range captures nearly all customers in this class. The G3 load factors have been expanded from 57% to a range of 40%, 57% , and 71% to include nearly all customers in this class. The assumptions for load factor and on-peak usage are shown in the lower left hand corner of each page.

Person Responsible: Karen M. Asbury

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-1 Rate Customers

Average Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
125	\$16.56	\$18.52	\$1.96	11.9%
150	\$19.30	\$21.66	\$2.36	12.2%
500	\$57.71	\$65.57	\$7.85	13.6%
750	\$85.15	\$96.93	\$11.78	13.8%
1000	\$112.58	\$128.29	\$15.71	14.0%
1250	\$140.02	\$159.65	\$19.64	14.0%
1500	\$167.45	\$191.02	\$23.57	14.1%
2000	\$222.32	\$253.74	\$31.42	14.1%

Present Rates - Effective 1/1/2000:		Proposed Rates - Effective 11/1/2000:	
Delivery Charges:		Delivery Charges:	
Customer Charge	R - 1 \$2.84 kWh	Customer Charge	R - 1 \$2.84 kWh
Internal Transmission	\$0.00196	Internal Transmission	\$0.00196
External Transmission	\$0.00457	External Transmission	\$0.00457
	Transmission Subtotal		Transmission Subtotal
Distribution	\$0.04002	Distribution	\$0.04002
Seabrook Amortization Surcharge	\$0.00819	Seabrook Amortization Surcharge	\$0.00819
	Distribution Subtotal		Distribution Subtotal
Energy Efficiency Charge	\$0.00285	Energy Efficiency Charge	\$0.00285
Renewable Resources Charge	\$0.00125	Renewable Resources Charge	\$0.00125
Transition Charge	\$0.01290	Transition Charge	\$0.01290
Fuel Charge Credit	\$0.00000	Fuel Charge Credit	\$0.00000
Supplier Charges:		Supplier Charges:	
Generation Charge*	\$0.03800	Generation Charge*	\$0.05371
Total	\$0.10974	Total	\$0.12545

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-2 Rate Customers

Average Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
125	\$12.17	\$14.14	\$1.96	16.1%
150	\$14.25	\$16.61	\$2.36	16.5%
500	\$43.41	\$51.26	\$7.86	18.1%
750	\$64.23	\$76.01	\$11.78	18.3%
1,000	\$85.05	\$100.76	\$15.71	18.5%
1,250	\$105.87	\$125.51	\$19.64	18.5%
1,500	\$126.70	\$150.26	\$23.57	18.6%
2,000	\$168.34	\$199.76	\$31.42	18.7%

Present Rates - Effective 1/1/2000:		R - 2	Proposed Rates - Effective 11/1/2000:	R - 2
<u>Delivery Charges:</u>			<u>Delivery Charges:</u>	
Customer Charge	\$1.76 kWh		Customer Charge	\$1.76 kWh
Internal Transmission	\$0.00196		Internal Transmission	\$0.00196
External Transmission	\$0.00457		External Transmission	\$0.00457
		Transmission Subtotal		\$0.00653
Distribution			Distribution	\$0.01684
Seabrook Amortization Surcharge			Seabrook Amortization Surcharge	\$0.00492
		Distribution Subtotal		\$0.02176
Energy Efficiency Charge			Energy Efficiency Charge	\$0.00285
Renewable Resources Charge			Renewable Resources Charge	\$0.00125
Transition Charge			Transition Charge	\$0.01290
Fuel Charge Credit			Fuel Charge Credit	\$0.00000
<u>Supplier Charges:</u>			<u>Supplier Charges:</u>	
Generation Charge *	\$0.03800		Generation Charge *	\$0.05371
Total	\$0.08329		Total	\$0.09900

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-4 Rate Customers

On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
400	600	\$113.65	\$129.36	\$15.71	13.8%
600	900	\$164.55	\$188.11	\$23.57	14.3%
800	1200	\$215.45	\$246.87	\$31.42	14.6%
1200	1800	\$317.26	\$364.39	\$47.13	14.9%
1600	2400	\$419.06	\$481.90	\$62.84	15.0%
2000	3000	\$520.87	\$599.42	\$78.55	15.1%
3200	4800	\$826.29	\$951.97	\$125.68	15.2%
4000	6000	\$1,029.90	\$1,187.00	\$157.10	15.3%

Present Rates - Effective 11/1/2000:				Proposed Rates - Effective 11/1/2000:			
R - 4				R - 4			
Delivery Charges:				Delivery Charges:			
Customer Charge		\$11.84		Customer Charge		\$11.84	
		kWh				kWh	
Internal Transmission	On Peak	\$0.00372		Internal Transmission	On Peak	\$0.00372	
	Off Peak	\$0.00035			Off Peak	\$0.00035	
External Transmission	All	\$0.00457		External Transmission	All	\$0.00457	
	On Peak Transmission Subtotal	\$0.00829			On Peak Transmission Subtotal	\$0.00829	
	Off Peak Transmission Subtotal	\$0.00492			Off Peak Transmission Subtotal	\$0.00492	
Distribution	On Peak	\$0.07186		Distribution	On Peak	\$0.07186	
	Off Peak	\$0.00614			Off Peak	\$0.00614	
Seabrook Amortization Surcharge	All	\$0.00819		Seabrook Amortization Surcharge	All	\$0.00819	
	On Peak Distribution Subtotal	\$0.08005			On Peak Distribution Subtotal	\$0.08005	
	Off Peak Distribution Subtotal	\$0.01433			Off Peak Distribution Subtotal	\$0.01433	
Energy Efficiency Charge	All	\$0.00285		Energy Efficiency Charge	All	\$0.00285	
Renewable Resources Charge	All	\$0.00125		Renewable Resources Charge	All	\$0.00125	
Transition Charge	On Peak	\$0.03205		Transition Charge	On Peak	\$0.03205	
	Off Peak	\$0.00000			Off Peak	\$0.00000	
Fuel Charge Credit	All	\$0.00000		Fuel Charge Credit	All	\$0.00000	
Supplier Charges:				Supplier Charges:			
Generation Charge*	All	\$0.03800		Generation Charge*	All	\$0.05371	
Totals	On Peak	\$0.16249		Totals	On Peak	\$0.17820	
	Off Peak	\$0.06135			Off Peak	\$0.07706	

1. Assumes 40% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-1 Rate Customers

Average Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
50	\$12.02	\$12.81	\$0.79	6.5%
100	\$17.60	\$19.17	\$1.57	8.9%
200	\$28.76	\$31.90	\$3.14	10.9%
300	\$39.92	\$44.63	\$4.71	11.8%
400	\$51.08	\$57.36	\$6.28	12.3%
500	\$62.24	\$70.10	\$7.85	12.6%
750	\$90.14	\$101.92	\$11.78	13.1%
1000	\$118.04	\$133.75	\$15.71	13.3%

Present Rates - Effective 1/1/2000:		Proposed Rates - Effective 11/1/2000:	
Delivery Charges:		Delivery Charges:	
Customer Charge	\$6.44	Customer Charge	\$6.44
Internal Transmission	\$0.00193	Internal Transmission	\$0.00193
External Transmission	\$0.00457	External Transmission	\$0.00457
	Transmission Subtotal		Transmission Subtotal
			\$0.00650
Distribution	\$0.04078	Distribution	\$0.04078
Seabrook Amortization Surcharge	\$0.00932	Seabrook Amortization Surcharge	\$0.00932
	Distribution Subtotal		Distribution Subtotal
			\$0.05010
Energy Efficiency Charge	\$0.00285	Energy Efficiency Charge	\$0.00285
Renewable Resources Charge	\$0.00125	Renewable Resources Charge	\$0.00125
Transition Charge	\$0.01290	Transition Charge	\$0.01290
Fuel Charge Credit	\$0.00000	Fuel Charge Credit	\$0.00000
Supplier Charges:		Supplier Charges:	
Generation Charge*	\$0.03800	Generation Charge*	\$0.05371
	Total		Total
	\$0.11160		\$0.12731

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	1,460	\$194.77	\$217.71	\$22.94	11.8%
20	2,920	\$389.40	\$435.28	\$45.87	11.8%
50	7,300	\$973.30	\$1,087.98	\$114.68	11.8%
75	10,950	\$1,459.88	\$1,631.90	\$172.02	11.8%
100	14,600	\$1,946.46	\$2,175.83	\$229.37	11.8%
125	18,250	\$2,433.04	\$2,719.75	\$286.71	11.8%
150	21,900	\$2,919.62	\$3,263.67	\$344.05	11.8%

Present Rates - Effective 11/1/2000:				Proposed Rates - Effective 11/1/2000:			
G - 2				G - 2			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge	\$0.14 kWh	kW	\$0.14 kWh
Internal Transmission	\$0.29			Internal Transmission	\$0.00072	\$0.29	\$0.00072
External Transmission	\$0.00			External Transmission	\$0.00457	\$0.00	\$0.00457
Transmission Subtotal	\$0.29			Transmission Subtotal	\$0.00529	\$0.29	\$0.00529
Distribution	\$5.93			Distribution	\$0.01417	\$5.93	\$0.01417
Seabrook Amortization Surcharge	\$0.00			Seabrook Amortization Surcharge	\$0.00932	\$0.00	\$0.00932
Distribution Subtotal	\$5.93			Distribution Subtotal	\$0.02349	\$5.93	\$0.02349
Energy Efficiency Charge				Energy Efficiency Charge	\$0.00285		\$0.00285
Renewable Resources Charge				Renewable Resources Charge	\$0.00125		\$0.00125
Transition Charge				Transition Charge	\$0.00332	\$2.41	\$0.00332
Fuel Charge Credit				Fuel Charge Credit	\$0.00000		\$0.00000
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*	\$0.03800		\$0.05371
Totals	\$8.63			Totals	\$0.07420	\$8.63	\$0.08991

1. Assumes a monthly load factor of 20%
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	2,555	\$276.02	\$316.16	\$40.14	14.5%
20	5,110	\$551.90	\$632.18	\$80.28	14.5%
50	12,775	\$1,379.55	\$1,580.24	\$200.70	14.5%
75	19,163	\$2,069.25	\$2,370.29	\$301.04	14.5%
100	25,550	\$2,758.95	\$3,160.34	\$401.39	14.5%
125	31,938	\$3,448.65	\$3,950.39	\$501.74	14.5%
150	38,325	\$4,138.36	\$4,740.44	\$602.09	14.5%

Present Rates - Effective 1/1/2000:		G - 2		Proposed Rates - Effective 11/1/2000:		G - 2	
Delivery Charges:				Delivery Charges:			
Customer Charge			\$0.14 kWh	Customer Charge			\$0.14 kWh
Internal Transmission	\$0.29 kW		\$0.00072	Internal Transmission		\$0.29 kW	\$0.00072
External Transmission	\$0.00		\$0.00457	External Transmission		\$0.00	\$0.00457
Transmission Subtotal	\$0.29		\$0.00529	Transmission Subtotal		\$0.29	\$0.00529
Distribution	\$5.93		\$0.01417	Distribution		\$5.93	\$0.01417
Seabrook Amortization Surcharge	\$0.00		\$0.00932	Seabrook Amortization Surcharge		\$0.00	\$0.00932
Distribution Subtotal	\$5.93		\$0.02349	Distribution Subtotal		\$5.93	\$0.02349
Energy Efficiency Charge			\$0.00285	Energy Efficiency Charge			\$0.00285
Renewable Resources Charge			\$0.00125	Renewable Resources Charge			\$0.00125
Transition Charge	\$2.41		\$0.00332	Transition Charge		\$2.41	\$0.00332
Fuel Charge Credit			\$0.00000	Fuel Charge Credit			\$0.00000
Supplier Charges:				Supplier Charges:			
Generation Charge*			\$0.03800	Generation Charge*			\$0.05371
Totals	\$8.63		\$0.07420	Totals		\$8.63	\$0.08991

1. Assumes a monthly load factor of 35%
* Standard Offer Service

Fitchburg Gas and Electric Light Company Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge Impact on G-2 Rate Customers							
Average Monthly kW	Average Monthly kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference		
10	3,650	\$357.27	\$414.61	\$57.34	16.0%		
20	7,300	\$714.40	\$829.08	\$114.68	16.1%		
50	18,250	\$1,785.79	\$2,072.50	\$286.71	16.1%		
75	27,375	\$2,678.62	\$3,108.68	\$430.06	16.1%		
100	36,500	\$3,571.44	\$4,144.86	\$573.42	16.1%		
125	45,625	\$4,464.27	\$5,181.03	\$716.77	16.1%		
150	54,750	\$5,357.09	\$6,217.21	\$860.12	16.1%		

Present Rates - Effective 11/1/2000:				Proposed Rates - Effective 11/1/2000:			
				G - 2			
Delivery Charges:				Delivery Charges:			G - 2
Customer Charge				Customer Charge			\$0.14 kWh
Internal Transmission	kW			Internal Transmission	kW		\$0.00072
External Transmission	\$0.29			External Transmission	\$0.29		\$0.00457
Transmission Subtotal	\$0.00			Transmission Subtotal	\$0.00		\$0.00529
Distribution	\$5.93			Distribution	\$5.93		\$0.01417
Seabrook Amortization Surcharge	\$0.00			Seabrook Amortization Surcharge	\$0.00		\$0.00932
Distribution Subtotal	\$5.93			Distribution Subtotal	\$5.93		\$0.02349
Energy Efficiency Charge				Energy Efficiency Charge			\$0.00285
Renewable Resources Charge				Renewable Resources Charge			\$0.00125
Transition Charge	\$2.41			Transition Charge	\$2.41		\$0.00332
Fuel Charge Credit				Fuel Charge Credit			\$0.00000
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			\$0.05371
Totals	\$8.63			Totals	\$8.63		\$0.08991

1. Assumes a monthly load factor of 50%
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	25,112	33,288	\$5,122.49	\$6,039.96	\$917.46	17.9%
400	50,224	66,576	\$10,244.84	\$12,079.77	\$1,834.93	17.9%
600	75,336	99,864	\$15,367.19	\$18,119.59	\$2,752.39	17.9%
800	100,448	133,152	\$20,489.55	\$24,159.40	\$3,669.86	17.9%
1,000	125,560	166,440	\$25,611.90	\$30,199.22	\$4,587.32	17.9%
1,500	188,340	249,660	\$38,417.77	\$45,298.75	\$6,880.98	17.9%
2,000	251,120	332,880	\$51,223.65	\$60,398.29	\$9,174.64	17.9%
2,500	313,900	416,100	\$64,029.53	\$75,497.83	\$11,468.30	17.9%
3,000	376,680	499,320	\$76,835.41	\$90,597.37	\$13,761.96	17.9%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	All kVA	\$0.14 kWh	On Peak	Internal Transmission	All kVA	\$0.14 kWh	On Peak
External Transmission	\$0.21	\$0.00093	Off Peak	External Transmission	\$0.21	\$0.00093	Off Peak
Transmission Subtotals	\$0.00	\$0.00457	All	Transmission Subtotals	\$0.00	\$0.00457	All
	\$0.21	\$0.00550	On Peak		\$0.21	\$0.00550	On Peak
		\$0.00481	Off Peak			\$0.00481	Off Peak
Distribution	\$2.94	\$0.01218	On Peak	Distribution	\$2.94	\$0.01218	On Peak
Seabrook Amortization Surcharge	\$0.00	\$0.00275	Off Peak	Seabrook Amortization Surcharge	\$0.00	\$0.00275	Off Peak
Distribution Subtotals	\$2.94	\$0.00710	All	Distribution Subtotals	\$2.94	\$0.00710	All
		\$0.01928	On Peak			\$0.01928	On Peak
		\$0.00985	Off Peak			\$0.00985	Off Peak
Energy Efficiency Charge		\$0.00285	All	Energy Efficiency Charge		\$0.00285	All
Renewable Resources Charge		\$0.00125	All	Renewable Resources Charge		\$0.00125	All
Transition Charge	\$3.29	\$0.01057	On Peak	Transition Charge	\$3.29	\$0.01057	On Peak
		\$0.00000	Off Peak			\$0.00000	Off Peak
Fuel Charge Credit		\$0.00000	All	Fuel Charge Credit		\$0.00000	All
Supplier Charges:				Supplier Charges:			
Generation Charge*		\$0.03800	All	Generation Charge*		\$0.05371	All
Totals	\$6.44	\$0.07745	On Peak	Totals	\$6.44	\$0.09316	On Peak
		\$0.05676	Off Peak			\$0.07247	Off Peak

1. Assumes a 40% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	28,032	30,388	\$5,182.91	\$6,100.37	\$917.46	17.7%
400	56,064	60,736	\$10,365.67	\$12,200.60	\$1,834.93	17.7%
600	84,096	91,104	\$15,548.44	\$18,300.83	\$2,752.39	17.7%
800	112,128	121,472	\$20,731.20	\$24,401.06	\$3,669.86	17.7%
1,000	140,160	151,840	\$25,913.97	\$30,501.29	\$4,587.32	17.7%
1,500	210,240	227,760	\$38,870.89	\$45,751.87	\$6,880.98	17.7%
2,000	280,320	303,680	\$51,827.80	\$61,002.44	\$9,174.64	17.7%
2,500	350,400	379,600	\$64,784.72	\$76,253.02	\$11,468.30	17.7%
3,000	420,480	455,520	\$77,741.63	\$91,503.59	\$13,761.96	17.7%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	ALL kVA	On Peak	\$0.14 kWh	Internal Transmission	ALL kVA	On Peak	\$0.14 kWh
External Transmission	\$0.21	Off Peak	\$0.00093	External Transmission	\$0.21	Off Peak	\$0.00093
Transmission Subtotals	\$0.00	All	\$0.00024	Transmission Subtotals	\$0.00	All	\$0.00024
	\$0.21	On Peak	\$0.00457		\$0.21	On Peak	\$0.00457
		Off Peak	\$0.00550			Off Peak	\$0.00550
			\$0.00481				\$0.00481
Distribution	\$2.94	On Peak	\$0.01218	Distribution	\$2.94	On Peak	\$0.01218
Seabrook Amortization Surcharge	\$0.00	Off Peak	\$0.00275	Seabrook Amortization Surcharge	\$0.00	Off Peak	\$0.00275
Distribution Subtotals	\$2.94	All	\$0.00710	Distribution Subtotals	\$2.94	All	\$0.00710
		On Peak	\$0.01928			On Peak	\$0.01928
		Off Peak	\$0.00985			Off Peak	\$0.00985
Energy Efficiency Charge		All	\$0.00285	Energy Efficiency Charge		All	\$0.00285
Renewable Resources Charge		All	\$0.00125	Renewable Resources Charge		All	\$0.00125
Transition Charge	\$3.29	On Peak	\$0.01057	Transition Charge	\$3.29	On Peak	\$0.01057
		Off Peak	\$0.00000			Off Peak	\$0.00000
Fuel Charge Credit		All	\$0.00000	Fuel Charge Credit		All	\$0.00000
Supplier Charges:				Supplier Charges:			
Generation Charge*		All	\$0.03800	Generation Charge*		All	\$0.05371
Totals	\$6.44	On Peak	\$0.07745	Totals	\$6.44	On Peak	\$0.09316
		Off Peak	\$0.05676			Off Peak	\$0.07247

1. Assumes a 40% monthly load factor and 48% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	35,040	23,360	\$5,327.90	\$6,245.37	\$917.46	17.2%
400	70,080	46,720	\$10,655.66	\$12,490.59	\$1,834.93	17.2%
600	105,120	70,080	\$15,983.42	\$18,735.82	\$2,752.39	17.2%
800	140,160	93,440	\$21,311.19	\$24,981.04	\$3,669.86	17.2%
1,000	175,200	116,800	\$26,638.95	\$31,226.27	\$4,587.32	17.2%
1,500	262,800	175,200	\$39,958.35	\$46,839.33	\$6,880.98	17.2%
2,000	350,400	233,600	\$53,277.76	\$62,452.40	\$9,174.64	17.2%
2,500	438,000	292,000	\$66,597.16	\$78,065.46	\$11,468.30	17.2%
3,000	525,600	350,400	\$79,916.56	\$93,678.52	\$13,761.96	17.2%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
G - 3				G - 3			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
	ALL KVA				ALL KVA		
Internal Transmission	\$0.21	On Peak		Internal Transmission	\$0.21	On Peak	
External Transmission	\$0.00	Off Peak		External Transmission	\$0.00	Off Peak	
Transmission Subtotals	\$0.21	All		Transmission Subtotals	\$0.21	All	
Distribution	\$2.94	On Peak		Distribution	\$2.94	On Peak	
Seabrook Amortization Surcharge	\$0.00	Off Peak		Seabrook Amortization Surcharge	\$0.00	Off Peak	
Distribution Subtotals	\$2.94	All		Distribution Subtotals	\$2.94	All	
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge	\$3.29	On Peak		Transition Charge	\$3.29	On Peak	
		Off Peak				Off Peak	
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals	\$6.44	On Peak		Totals	\$6.44	On Peak	
		Off Peak				Off Peak	

1. Assumes a 40% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	35,785	47,435	\$6,752.09	\$8,059.48	\$1,307.39	19.4%
400	71,569	94,871	\$13,504.04	\$16,118.81	\$2,614.77	19.4%
600	107,354	142,306	\$20,255.99	\$24,178.15	\$3,922.16	19.4%
800	143,138	189,742	\$27,007.94	\$32,237.49	\$5,229.54	19.4%
1,000	178,923	237,177	\$33,759.89	\$40,296.82	\$6,536.93	19.4%
1,500	268,385	355,766	\$50,639.77	\$60,445.17	\$9,805.40	19.4%
2,000	357,846	474,354	\$67,519.65	\$80,593.51	\$13,073.86	19.4%
2,500	447,308	592,943	\$84,399.52	\$100,741.85	\$16,342.33	19.4%
3,000	536,769	711,531	\$101,279.40	\$120,890.19	\$19,610.79	19.4%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 57% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kWh	Average On Peak kWh	Average Off Peak kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	39,946	43,274	\$6,838.18	\$8,145.57	\$1,307.39	19.1%
400	79,891	86,549	\$13,676.22	\$16,291.00	\$2,614.77	19.1%
600	119,837	129,823	\$20,514.26	\$24,436.42	\$3,922.16	19.1%
800	159,782	173,098	\$27,352.31	\$32,581.85	\$5,229.54	19.1%
1,000	199,728	216,372	\$34,190.35	\$40,727.28	\$6,536.93	19.1%
1,500	299,592	324,558	\$51,285.45	\$61,090.85	\$9,805.40	19.1%
2,000	399,456	432,744	\$68,380.56	\$81,454.42	\$13,073.86	19.1%
2,500	499,320	540,930	\$85,475.66	\$101,817.99	\$16,342.33	19.1%
3,000	599,184	649,116	\$102,570.76	\$122,181.56	\$19,610.79	19.1%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 57% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVa	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	49,932	33,288	\$7,044.80	\$8,352.19	\$1,307.39	18.6%
400	99,864	66,576	\$14,089.46	\$16,704.23	\$2,614.77	18.6%
600	149,796	99,864	\$21,134.12	\$25,056.28	\$3,922.16	18.6%
800	199,728	133,152	\$28,178.78	\$33,408.33	\$5,229.54	18.6%
1,000	249,660	166,440	\$35,223.44	\$41,760.37	\$6,536.93	18.6%
1,500	374,490	249,660	\$52,835.09	\$62,640.49	\$9,805.40	18.6%
2,000	499,320	332,880	\$70,446.74	\$83,520.60	\$13,073.86	18.6%
2,500	624,150	416,100	\$88,058.39	\$104,400.72	\$16,342.33	18.6%
3,000	748,980	499,320	\$105,670.04	\$125,280.84	\$19,610.79	18.6%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 57% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	44,574	59,086	\$8,094.11	\$9,722.61	\$1,628.50	20.1%
400	89,148	118,172	\$16,188.09	\$19,445.08	\$3,257.00	20.1%
600	133,721	177,259	\$24,282.06	\$29,167.56	\$4,885.50	20.1%
800	178,295	236,345	\$32,376.03	\$38,890.03	\$6,513.99	20.1%
1,000	222,869	295,431	\$40,470.01	\$48,612.50	\$8,142.49	20.1%
1,500	334,304	443,147	\$60,704.94	\$72,918.68	\$12,213.74	20.1%
2,000	445,736	590,862	\$80,939.88	\$97,224.86	\$16,284.99	20.1%
2,500	557,173	738,578	\$101,174.81	\$121,531.04	\$20,356.23	20.1%
3,000	668,607	886,293	\$121,409.74	\$145,837.22	\$24,427.48	20.1%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 71% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVa	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	49,757	53,903	\$8,201.35	\$9,829.85	\$1,628.50	19.9%
400	99,514	107,806	\$16,402.56	\$19,659.56	\$3,257.00	19.9%
600	149,270	161,710	\$24,603.77	\$29,489.27	\$4,885.50	19.9%
800	199,027	215,613	\$32,804.98	\$39,318.97	\$6,513.99	19.9%
1,000	248,784	269,516	\$41,006.19	\$49,148.68	\$8,142.49	19.9%
1,500	373,176	404,274	\$61,509.21	\$73,722.95	\$12,213.74	19.9%
2,000	497,568	539,032	\$82,012.24	\$98,297.22	\$16,284.99	19.9%
2,500	621,960	673,790	\$102,515.26	\$122,871.49	\$20,356.23	19.9%
3,000	746,352	808,548	\$123,018.29	\$147,445.77	\$24,427.48	19.9%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 1/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 71% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

	Average Monthly kVa	Average On Peak kWh ¹	Average Off Peak kWh ¹	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	62,196	41,464	\$8,458.72	\$10,087.22	\$1,628.50	19.3%
	400	124,392	82,928	\$16,917.29	\$20,174.29	\$3,257.00	19.3%
	600	186,588	124,392	\$25,375.87	\$30,261.37	\$4,885.50	19.3%
	800	248,784	165,856	\$33,834.45	\$40,348.44	\$6,513.99	19.3%
	1,000	310,980	207,320	\$42,293.02	\$50,435.52	\$8,142.49	19.3%
	1,500	468,470	310,980	\$63,439.47	\$75,653.21	\$12,213.74	19.3%
	2,000	621,960	414,640	\$84,585.91	\$100,870.89	\$16,284.99	19.3%
	2,500	777,450	518,300	\$105,732.35	\$126,088.58	\$20,356.23	19.3%
	3,000	932,940	621,960	\$126,878.79	\$151,306.27	\$24,427.48	19.3%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Distribution Subtotals				Distribution Subtotals			
Energy Efficiency Charge				Energy Efficiency Charge			
Renewable Resources Charge				Renewable Resources Charge			
Transition Charge				Transition Charge			
Fuel Charge Credit				Fuel Charge Credit			
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*			
Totals				Totals			

1. Assumes a 71% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-4 Rate Customers

	Average Monthly kW	On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	10	2,102	2,278	\$424.97	\$493.78	\$68.81	16.2%
	20	4,205	4,555	\$846.21	\$983.83	\$137.62	16.3%
	50	10,512	11,388	\$2,109.90	\$2,453.95	\$344.05	16.3%
	75	15,768	17,082	\$3,162.99	\$3,679.06	\$516.07	16.3%
	100	21,024	22,776	\$4,216.07	\$4,904.17	\$688.10	16.3%
	125	26,280	28,470	\$5,269.15	\$6,129.27	\$860.12	16.3%
	150	31,536	34,164	\$6,322.23	\$7,354.38	\$1,032.15	16.3%

Present Rates - Effective 1/1/2000:				Proposed Rates - Effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
G - 4				G - 4			
\$3.74				\$3.74			
kWh				kWh			
Internal Transmission	All kW	On Peak	\$0.00106	Internal Transmission	All kW	On Peak	\$0.00106
External Transmission Charge	\$0.35	Off Peak	\$0.00026	External Transmission Charge	\$0.35	Off Peak	\$0.00026
Transmission Subtotals	\$0.00	All	\$0.00457	Transmission Subtotals	\$0.00	All	\$0.00457
	\$0.35	On Peak	\$0.00563		\$0.35	On Peak	\$0.00563
		Off Peak	\$0.00483			Off Peak	\$0.00483
Distribution	\$6.48	On Peak	\$0.01867	Distribution	\$6.48	On Peak	\$0.01867
Seabrook Amortization Surcharge	\$0.00	Off Peak	\$0.00413	Seabrook Amortization Surcharge	\$0.00	Off Peak	\$0.00413
Distribution Subtotals	\$6.48	All	\$0.00932	Distribution Subtotals	\$6.48	All	\$0.00932
		On Peak	\$0.02799			On Peak	\$0.02799
		Off Peak	\$0.01345			Off Peak	\$0.01345
Energy Efficiency Charge	All	All	\$0.00285	Energy Efficiency Charge	All	All	\$0.00285
Renewable Resources Charge	All	All	\$0.00125	Renewable Resources Charge	All	All	\$0.00125
Transition Charge	\$3.82	On Peak	\$0.00857	Transition Charge	\$3.82	On Peak	\$0.00857
		Off Peak	\$0.00000			Off Peak	\$0.00000
Fuel Charge Credit	All	All	\$0.00000	Fuel Charge Credit	All	All	\$0.00000
Supplier Charges:				Supplier Charges:			
Generation Charge*	All	All	\$0.03800	Generation Charge*	All	All	\$0.05371
Totals	\$10.65	On Peak	\$0.08429	Totals	\$10.65	On Peak	\$0.10000
		Off Peak	\$0.06038			Off Peak	\$0.07609

1. Assumes a 60% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-5 Rate Customers

Average Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
100	\$10.76	\$12.33	\$1.57	14.6%
200	\$21.38	\$24.53	\$3.14	14.7%
300	\$32.01	\$36.72	\$4.71	14.7%
400	\$42.63	\$48.91	\$6.28	14.7%
500	\$53.25	\$61.11	\$7.86	14.8%
750	\$79.81	\$91.59	\$11.78	14.8%
1000	\$106.36	\$122.07	\$15.71	14.8%
1500	\$159.47	\$183.04	\$23.57	14.8%
2000	\$212.58	\$244.00	\$31.42	14.8%
2500	\$265.69	\$304.97	\$39.28	14.8%

Present Rates - Effective 1/1/2000:		Proposed Rates - Effective 11/1/2000:	
Delivery Charges:	G - 5	Delivery Charges:	G - 5
Customer Charge	\$0.14 kWh	Customer Charge	\$0.14 kWh
Internal Transmission	\$0.00186	Internal Transmission	\$0.00186
External Transmission	\$0.00457	External Transmission	\$0.00457
	Transmission Subtotal		Transmission Subtotal
Distribution	\$0.03547	Distribution	\$0.03547
Seabrook Amortization Surcharge	\$0.00932	Seabrook Amortization Surcharge	\$0.00932
	Distribution Subtotal		Distribution Subtotal
Energy Efficiency Charge	\$0.00285	Energy Efficiency Charge	\$0.00285
Renewable Resources Charge	\$0.00125	Renewable Resources Charge	\$0.00125
Transition Charge	\$0.01290	Transition Charge	\$0.01290
Fuel Charge Credit	\$0.00000	Fuel Charge Credit	\$0.00000
Supplier Charges:		Supplier Charges:	
Generation Charge*	\$0.03800	Generation Charge*	\$0.05371
Total	\$0.10622	Total	\$0.12193

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-6 Rate Customers

On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Present Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
25	25	\$15.27	\$16.06	\$0.79	5.1%
50	50	\$20.51	\$22.08	\$1.57	7.7%
100	100	\$30.97	\$34.12	\$3.14	10.1%
150	150	\$41.44	\$46.15	\$4.71	11.4%
200	200	\$51.91	\$58.19	\$6.28	12.1%
250	250	\$62.38	\$70.23	\$7.86	12.6%
375	375	\$88.54	\$100.33	\$11.78	13.3%
500	500	\$114.71	\$130.42	\$15.71	13.7%

Present Rates - Effective 1/1/2000:			G - 6			Proposed Rates - Effective 11/1/2000:			G - 6		
Delivery Charges:						Delivery Charges:					
Customer Charge			\$10.04 kWh			Customer Charge			\$10.04 kWh		
Internal Transmission			On Peak			Internal Transmission			On Peak		
			Off Peak						Off Peak		
External Transmission			All			External Transmission			All		
On Peak Transmission Subtotal						On Peak Transmission Subtotal					
Off Peak Transmission Subtotal			\$0.00305			Off Peak Transmission Subtotal			\$0.00305		
			\$0.00035						\$0.00035		
			\$0.00457						\$0.00457		
			\$0.00762						\$0.00762		
			\$0.00492						\$0.00492		
Distribution			On Peak			Distribution			On Peak		
			Off Peak						Off Peak		
			\$0.06182						\$0.06182		
			\$0.00634						\$0.00634		
Seabrook Amortization Surcharge			All			Seabrook Amortization Surcharge			All		
On Peak Distribution Subtotal			\$0.00932			On Peak Distribution Subtotal			\$0.00932		
Off Peak Distribution Subtotal			\$0.07114			Off Peak Distribution Subtotal			\$0.07114		
			\$0.01566						\$0.01566		
Energy Efficiency Charge			All			Energy Efficiency Charge			All		
Renewable Resources Charge			All			Renewable Resources Charge			All		
			\$0.00285						\$0.00285		
			\$0.00125						\$0.00125		
Transition Charge			On Peak			Transition Charge			On Peak		
			Off Peak						Off Peak		
			\$0.02470						\$0.02470		
			\$0.00110						\$0.00110		
Fuel Charge Credit			All			Fuel Charge Credit			All		
			\$0.00000						\$0.00000		
Supplier Charges:						Supplier Charges:					
Generation Charge*			All			Generation Charge*			All		
			\$0.03800						\$0.05371		
Totals			On Peak			Totals			On Peak		
			Off Peak						Off Peak		
			\$0.14556						\$0.16127		
			\$0.06378						\$0.07949		

1. Assumes a 50% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on S Rate Customers

	<u>Lumens</u>	<u>Luminaire</u>	<u>Average</u> <u>Monthly kWh</u>	<u>Present Rates</u> <u>Total</u> <u>Revenue</u>	<u>Proposed Rates</u> <u>Total</u> <u>Revenue</u>	<u>Total</u> <u>Difference</u>	<u>%</u> <u>Total</u> <u>Difference</u>
	<u>Mercury Vapor:</u>						
1	3,500	Residential and Commercial Type	39.3	\$9.01	\$9.62	\$0.62	6.9%
2	7,000	Residential and Commercial Type	68.3	\$11.67	\$12.75	\$1.07	9.2%
3	3,500	Street and Highway Type	39.3	\$9.01	\$9.62	\$0.62	6.9%
4	7,000	Street and Highway Type	68.3	\$11.67	\$12.75	\$1.07	9.2%
5	20,000	Street and Highway Type	157.3	\$23.48	\$25.96	\$2.47	10.5%
6	60,000	Street and Highway Type	369	\$49.53	\$55.33	\$5.80	11.7%
7	20,000	Flood Light Type	157.3	\$24.80	\$27.28	\$2.47	10.0%
8	3,500	Power Bracket Included	39.3	\$9.30	\$9.91	\$0.62	6.6%
9	7,000	Power Bracket Included	68.3	\$12.13	\$13.21	\$1.07	8.8%
	<u>High Pressure Sodium:</u>						
10	3,300	Residential and Commercial Type	21.3	\$6.94	\$7.27	\$0.33	4.8%
11	9,500	Residential and Commercial Type	43	\$9.46	\$10.13	\$0.68	7.1%
12	3,300	Street and Highway Type	21.3	\$6.94	\$7.27	\$0.33	4.8%
13	9,500	Street and Highway Type	43	\$9.46	\$10.13	\$0.68	7.1%
14	20,000	Street and Highway Type	108	\$17.10	\$18.80	\$1.70	9.9%
15	50,000	Street and Highway Type	172.3	\$25.58	\$28.29	\$2.71	10.6%
16	140,000	Street and Highway Type	403.8	\$55.92	\$62.27	\$6.34	11.3%
17	50,000	Flood Light Type	172.3	\$27.80	\$30.51	\$2.71	9.7%
	<u>Ornamental Lighting:</u>						
18	3,300	Street and Highway Type	21.3	\$5.85	\$6.18	\$0.33	5.7%

<u>Present Rates - Effective 1/1/2000:</u>			<u>Proposed Rates - Effective 11/1/2000:</u>		
	<u>\$</u>			<u>\$</u>	
<u>Delivery Charges:</u>			<u>Delivery Charges:</u>		
Customer Charge	\$0.00		Customer Charge	\$0.00	
	<u>kWh</u>			<u>kWh</u>	
Internal Transmission	\$0.00004		Internal Transmission	\$0.00004	
External Transmission	<u>\$0.00457</u>		External Transmission	<u>\$0.00457</u>	
Transmission Subtotal	\$0.00461		Transmission Subtotal	\$0.00461	
Distribution	\$0.00059		Distribution	\$0.00059	
Seabrook Amortization Surcharge	<u>\$0.00766</u>		Seabrook Amortization Surcharge	<u>\$0.00766</u>	
Distribution Subtotal	\$0.00825		Distribution Subtotal	\$0.00825	
Energy Efficiency Charge	\$0.00285		Energy Efficiency Charge	\$0.00285	
Renewable Resources Charge	\$0.00125		Renewable Resources Charge	\$0.00125	
Transition Charge	\$0.01290		Transition Charge	\$0.01290	
Fuel Charge Credit	\$0.00000		Fuel Charge Credit	\$0.00000	
<u>Supplier Charges:</u>			<u>Supplier Charges:</u>		
Generation Charge*	<u>\$0.03800</u>		Generation Charge*	<u>\$0.05371</u>	
Total	\$0.06786		Total	\$0.08357	

* Standard Offer Service

<u>Luminaire Charges:</u>	<u>Internal</u> <u>Transmission</u>	<u>Distribution</u>	<u>Access Charge-</u> <u>Base Component</u>	<u>Total</u>	<u>Internal</u> <u>Transmission</u>	<u>Distribution</u>	<u>Transition Charge-</u> <u>Power Supply</u>	<u>Total</u>
1	\$0.23	\$6.11	\$0.00	\$6.34	\$0.23	\$6.11	\$0.00	\$6.34
2	\$0.27	\$6.77	\$0.00	\$7.04	\$0.27	\$6.77	\$0.00	\$7.04
3	\$0.23	\$6.11	\$0.00	\$6.34	\$0.23	\$6.11	\$0.00	\$6.34
4	\$0.27	\$6.77	\$0.00	\$7.04	\$0.27	\$6.77	\$0.00	\$7.04
5	\$0.52	\$12.29	\$0.00	\$12.81	\$0.52	\$12.29	\$0.00	\$12.81
6	\$1.02	\$23.47	\$0.00	\$24.49	\$1.02	\$23.47	\$0.00	\$24.49
7	\$0.56	\$13.57	\$0.00	\$14.13	\$0.56	\$13.57	\$0.00	\$14.13
8	\$0.24	\$6.39	\$0.00	\$6.63	\$0.24	\$6.39	\$0.00	\$6.63
9	\$0.29	\$7.21	\$0.00	\$7.50	\$0.29	\$7.21	\$0.00	\$7.50
10	\$0.20	\$5.29	\$0.00	\$5.49	\$0.20	\$5.29	\$0.00	\$5.49
11	\$0.24	\$6.30	\$0.00	\$6.54	\$0.24	\$6.30	\$0.00	\$6.54
12	\$0.20	\$5.29	\$0.00	\$5.49	\$0.20	\$5.29	\$0.00	\$5.49
13	\$0.24	\$6.30	\$0.00	\$6.54	\$0.24	\$6.30	\$0.00	\$6.54
14	\$0.39	\$9.38	\$0.00	\$9.77	\$0.39	\$9.38	\$0.00	\$9.77
15	\$0.56	\$13.33	\$0.00	\$13.89	\$0.56	\$13.33	\$0.00	\$13.89
16	\$1.18	\$27.34	\$0.00	\$28.52	\$1.18	\$27.34	\$0.00	\$28.52
17	\$0.64	\$15.47	\$0.00	\$16.11	\$0.64	\$15.47	\$0.00	\$16.11
18	\$0.16	\$4.24	\$0.00	\$4.40	\$0.16	\$4.24	\$0.00	\$4.40

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the Department's Second Set of Information Requests

Request No.: DTE 2-2

Please provide customer bill comparisons for the proposed rates provided in the September 27th technical session versus the August 1997 rates adjusted for the inflation factor implemented Jan. 1, 2000. Please demonstrate that the Company's proposal shows that any individual customer bill impacts represent not less than a 14% decrease.

Response:

The requested bill impacts are shown in Attachment DTE-2-2, pages 1 through 20. The same bandwidths for load factors and on-peak usage that were used in Attachment DTE-2-1 are used here. These bill impacts are in the range from a decrease of 11.1% to an increase of 2.1%, depending on class and usage level. The Company maintains that customers are still receiving the 15% rate discount required by the Act, since the fuel adjustment is a surcharge over and above previously allowed adjustments for inflation. The proposed overall rates are computed as follows:

Proposed rate = [August 1997 rate x (1 + C.P.I. inflation %)] x 85% + fuel adjustment

A second set of impacts, including the fuel adjustment added on to the inflation adjusted August 1997 benchmark rates are demonstrated on pages 21 through 40 of Attachment DTE-2-2. The impacts under this scenario are in the -12.8% to -14.6% range.

Person Responsible: Karen M. Asbury

Fitchburg Gas and Electric Light Company					
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge					
Impact on R-1 Rate Customers					
Average Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference	
125	\$19.50	\$18.52	(\$0.98)	-5.0%	
150	\$22.72	\$21.66	(\$1.07)	-4.7%	
500	\$67.89	\$65.57	(\$2.33)	-3.4%	
750	\$100.16	\$96.93	(\$3.23)	-3.2%	
1000	\$132.42	\$128.29	(\$4.13)	-3.1%	
1250	\$164.69	\$159.65	(\$5.03)	-3.1%	
1500	\$196.95	\$191.02	(\$5.94)	-3.0%	
2000	\$261.48	\$253.74	(\$7.74)	-3.0%	
Benchmark Rates - Effective 8/1/97:			Proposed Rates effective 11/1/2000:		
Delivery Charges:			Delivery Charges:		
Customer Charge		R - 1	Customer Charge		R - 1
		\$3.16 kWh			\$2.84 kWh
Internal Transmission		\$0.00192	Internal Transmission		\$0.00196
External Transmission		\$0.00000	External Transmission		\$0.00457
					\$0.00653
		Transmission Subtotal			Transmission Subtotal
Distribution		\$0.03553	Distribution		\$0.04002
Seabrook Amortization Surcharge		\$0.00819	Seabrook Amortization Surcharge		\$0.00819
Conservation Charge		\$0.00141			\$0.04821
		\$0.04513			
		Distribution Subtotal			Distribution Subtotal
Access Charge		\$0.04613	Energy Efficiency Charge		\$0.00285
			Renewable Resources Charge		\$0.00125
			Transition Charge		\$0.01290
Supplier Charges:			Supplier Charges:		
Generation Charge*		\$0.02800	Generation Charge*		\$0.05371
		Total			Total
		\$0.12118			\$0.12545
		6.50%			
Inflation Adjustment					

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-2 Rate Customers

Average Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
125	\$14.33	\$14.14	(\$0.20)	-1.4%
150	\$16.78	\$16.61	(\$0.17)	-1.0%
500	\$51.06	\$51.26	\$0.20	0.4%
750	\$75.55	\$76.01	\$0.46	0.6%
1,000	\$100.04	\$100.76	\$0.72	0.7%
1,250	\$124.52	\$125.51	\$0.99	0.8%
1,500	\$149.01	\$150.26	\$1.25	0.8%
2,000	\$197.98	\$199.76	\$1.78	0.9%

Benchmark Rates - Effective 8/1/97:		R - 2	Proposed Rates effective 11/1/2000:		R - 2
Delivery Charges:			Delivery Charges:		
Customer Charge	\$1.96	kWh	Customer Charge	\$1.76	kWh
Internal Transmission	\$0.00192		Internal Transmission	\$0.00196	
External Transmission	\$0.00000		External Transmission	\$0.00457	
	Transmission Subtotal	\$0.00192		Transmission Subtotal	\$0.00653
Distribution	\$0.02074		Distribution	\$0.01684	
Seabrook Amortization Surcharge	\$0.00492		Seabrook Amortization Surcharge	\$0.00492	
Conservation Charge	\$0.00141			Distribution Subtotal	\$0.02176
	Distribution Subtotal	\$0.02707		Energy Efficiency Charge	\$0.00285
Access Charge	\$0.03498		Renewable Resources Charge	\$0.00125	
Supplier Charges:			Transition Charge	\$0.01290	
Generation Charge*	\$0.02800		Supplier Charges:		
	Total	\$0.09197	Generation Charge*	\$0.05371	
Inflation Adjustment		6.50%	Total	\$0.09900	

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-4 Rate Customers

On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
400	600	\$133.73	\$129.36	(\$4.37)	-3.3%
600	900	\$193.59	\$188.11	(\$5.47)	-2.8%
800	1200	\$253.44	\$246.87	(\$6.57)	-2.6%
1200	1800	\$373.16	\$364.39	(\$8.77)	-2.4%
1600	2400	\$492.87	\$481.90	(\$10.97)	-2.2%
2000	3000	\$612.59	\$599.42	(\$13.17)	-2.1%
3200	4800	\$971.73	\$951.97	(\$19.76)	-2.0%
4000	6000	\$1,211.16	\$1,187.00	(\$24.16)	-2.0%

Benchmark Rates - Effective 8/1/97:		R - 4		Proposed Rates effective 11/1/2000:		R - 4	
Deliver Charges:				Deliver Charges:			
Customer Charge		\$13.16		Customer Charge		\$11.84	
		kWh				kWh	
Internal Transmission	On Peak	\$0.00368		Internal Transmission	On Peak	\$0.00372	
	Off Peak	\$0.00031			Off Peak	\$0.00035	
External Transmission	All	\$0.00000		External Transmission	All	\$0.00457	
	On Peak Transmission Subtotal	\$0.00368			On Peak Transmission Subtotal	\$0.00829	
	Off Peak Transmission Subtotal	\$0.00031			Off Peak Transmission Subtotal	\$0.00492	
Distribution	On Peak	\$0.06798		Distribution	On Peak	\$0.07186	
	Off Peak	\$0.00581			Off Peak	\$0.00614	
Seabrook Amortization Surcharge	All	\$0.00819		Seabrook Amortization Surcharge	All	\$0.00819	
Conservation Charge	All	\$0.00141			On Peak Distribution Subtotal	\$0.08005	
	On Peak Distribution Subtotal	\$0.07758			Off Peak Distribution Subtotal	\$0.01433	
	Off Peak Distribution Subtotal	\$0.01541					
Access Charge	On Peak	\$0.07057		Energy Efficiency Charge	All	\$0.00285	
	Off Peak	\$0.02374		Renewable Resources Charge	All	\$0.00125	
				Transition Charge	On Peak	\$0.03205	
					Off Peak	\$0.00000	
Supplier Charges:				Supplier Charges:			
Generation Charge*	All	\$0.02800		Generation Charge*	All	\$0.05371	
	Total On Peak	\$0.17983			Total On Peak	\$0.17820	
	Total Off Peak	\$0.06746			Total Off Peak	\$0.07706	
Inflation Adjustment		6.50%					

1. Assumes 40% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-1 Rate Customers

Average Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
50	\$14.18	\$12.81	(\$1.37)	-9.7%
100	\$20.73	\$19.17	(\$1.56)	-7.5%
200	\$33.84	\$31.90	(\$1.94)	-5.7%
300	\$46.95	\$44.63	(\$2.32)	-4.9%
400	\$60.06	\$57.36	(\$2.69)	-4.5%
500	\$73.17	\$70.10	(\$3.07)	-4.2%
750	\$105.94	\$101.92	(\$4.01)	-3.8%
1000	\$138.71	\$133.75	(\$4.96)	-3.6%

Benchmark Rates - Effective 8/1/97:		G - 1		Proposed Rates effective 11/1/2000:	
<u>Delivery Charges:</u>				<u>Delivery Charges:</u>	
Customer Charge		\$7.16	kWh	Customer Charge	\$6.44
Internal Transmission		\$0.00189		Internal Transmission	\$0.00193
External Transmission		\$0.00000		External Transmission	\$0.00457
				Transmission Subtotal	\$0.00650
Distribution		\$0.03493		Distribution	\$0.04078
Seabrook Amortization Surcharge		\$0.00932		Seabrook Amortization Surcharge	\$0.00932
Conservation Charge		\$0.00327		Distribution Subtotal	\$0.05010
				Energy Efficiency Charge	\$0.00285
Access Charge		\$0.04752		Renewable Resources Charge	\$0.00125
				Transition Charge	\$0.01290
<u>Supplier Charges:</u>				<u>Supplier Charges:</u>	
Generation Charge*		\$0.02800		Generation Charge*	\$0.05371
Inflation Adjustment		Total	\$0.12308	Total	\$0.12731
			6.50%		

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	1,460	\$229.12	\$217.71	(\$11.41)	-5.0%
20	2,920	\$458.07	\$435.28	(\$22.79)	-5.0%
50	7,300	\$1,144.92	\$1,087.98	(\$56.94)	-5.0%
75	10,950	\$1,717.29	\$1,631.90	(\$85.39)	-5.0%
100	14,600	\$2,289.67	\$2,175.83	(\$113.84)	-5.0%
125	18,250	\$2,862.04	\$2,719.75	(\$142.29)	-5.0%
150	21,900	\$3,434.42	\$3,263.67	(\$170.75)	-5.0%

Benchmark Rates - Effective 8/1/97:			G - 2		Proposed Rates effective 11/1/2000:			G - 2	
<u>Delivery Charges:</u>					<u>Delivery Charges:</u>				
Customer Charge					Customer Charge				\$0.14 kWh
Internal Transmission					Internal Transmission				\$0.00072
External Transmission					External Transmission				\$0.00457
Transmission Subtotal					Transmission Subtotal				\$0.00529
Distribution					Distribution				\$0.01417
Seabrook Amortization Surcharge					Seabrook Amortization Surcharge				\$0.00932
Conservation Charge					Distribution Subtotal				\$0.02349
Distribution Subtotal					Energy Efficiency Charge				\$0.00285
Access Charge					Renewable Resources Charge				\$0.00125
<u>Supplier Charges:</u>					Transition Charge				\$0.00332
Generation Charge*					<u>Supplier Charges:</u>				
					Generation Charge*				\$0.05371
Totals					Totals				\$0.08991
Inflation Adjustment									

1. Assumes a monthly load factor of 20%
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	2,555	\$324.71	\$316.16	(\$8.55)	-2.6%
20	5,110	\$649.25	\$632.18	(\$17.07)	-2.6%
50	12,775	\$1,622.88	\$1,580.24	(\$42.64)	-2.6%
75	19,163	\$2,434.23	\$2,370.29	(\$63.94)	-2.6%
100	25,550	\$3,245.58	\$3,160.34	(\$85.24)	-2.6%
125	31,938	\$4,056.93	\$3,950.39	(\$106.54)	-2.6%
150	38,325	\$4,868.29	\$4,740.44	(\$127.84)	-2.6%

Benchmark Rates - Effective 8/1/97:		G - 2		Proposed Rates effective 11/1/2000:		G - 2	
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge		\$0.14	
						kWh	
Internal Transmission				Internal Transmission		\$0.00072	
External Transmission				External Transmission		\$0.00457	
Transmission Subtotal				Transmission Subtotal		\$0.00529	
Distribution				Distribution		\$0.01417	
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge		\$0.00932	
Conservation Charge				Distribution Subtotal		\$0.02349	
Distribution Subtotal							
				Energy Efficiency Charge		\$0.00285	
Access Charge				Renewable Resources Charge		<u>\$0.00125</u>	
				Transition Charge		\$0.00332	
Supplier Charges:				Supplier Charges:			
Generation Charge*				Generation Charge*		\$0.05371	
Totals				Totals		\$8.63	
Inflation Adjustment						\$0.08991	

1. Assumes a monthly load factor of 35%

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	3,650	\$420.30	\$414.61	(\$5.69)	-1.4%
20	7,300	\$840.44	\$829.08	(\$11.35)	-1.4%
50	18,250	\$2,100.83	\$2,072.50	(\$28.33)	-1.3%
75	27,375	\$3,151.16	\$3,108.68	(\$42.49)	-1.3%
100	36,500	\$4,201.49	\$4,144.86	(\$56.64)	-1.3%
125	45,625	\$5,251.83	\$5,181.03	(\$70.79)	-1.3%
150	54,750	\$6,302.16	\$6,217.21	(\$84.94)	-1.3%

Benchmark Rates - Effective 8/1/97:				G - 2			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			\$0.14 kWh
Internal Transmission	kW	\$0.29		Internal Transmission	kW	\$0.29	\$0.00072
External Transmission	N/A			External Transmission		\$0.00	\$0.00457
Transmission Subtotal		\$0.29		Transmission Subtotal		\$0.29	\$0.00529
Distribution		\$5.27		Distribution		\$5.93	\$0.01417
Seabrook Amortization Surcharge		N/A		Seabrook Amortization Surcharge		\$0.00	\$0.00932
Conservation Charge		N/A		Distribution Subtotal		\$5.93	\$0.02349
Distribution Subtotal		\$5.27		Energy Efficiency Charge			\$0.00285
Access Charge		\$3.97		Renewable Resources Charge			\$0.00125
Supplier Charges:				Transition Charge		\$2.41	\$0.00332
Generation Charge*		N/A		Supplier Charges:			
Totals	\$9.53			Generation Charge*			\$0.05371
Inflation Adjustment				Totals	\$8.63		\$0.08991

1. Assumes a monthly load factor of 50%
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	25,112	33,288	\$6,025.49	\$6,039.96	\$14.47	0.2%
400	50,224	66,576	\$12,050.81	\$12,079.77	\$28.96	0.2%
600	75,336	99,864	\$18,076.13	\$18,119.59	\$43.46	0.2%
800	100,448	133,152	\$24,101.45	\$24,159.40	\$57.95	0.2%
1,000	125,560	166,440	\$30,126.77	\$30,199.22	\$72.45	0.2%
1,500	188,340	249,660	\$45,190.07	\$45,298.75	\$108.69	0.2%
2,000	251,120	332,880	\$60,253.36	\$60,398.29	\$144.93	0.2%
2,500	313,900	416,100	\$75,316.66	\$75,497.83	\$181.17	0.2%
3,000	376,680	499,320	\$90,379.96	\$90,597.37	\$217.41	0.2%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	All kVA	\$0.16 kWh		Internal Transmission	All kVA	\$0.14 kWh	
External Transmission	N/A	\$0.0089 On Peak		External Transmission		\$0.0093 On Peak	
Transmission Subtotals	\$0.21	\$0.0020 Off Peak		Transmission Subtotals		\$0.0024 Off Peak	
		\$0.00000 All				\$0.00457 All	
		\$0.00089 On Peak				\$0.00550 On Peak	
		\$0.00020 Off Peak				\$0.00481 Off Peak	
Distribution				Distribution			
Seabrook Amortization Surcharge	\$3.94	\$0.01636 On Peak		Seabrook Amortization Surcharge	\$2.94	\$0.01218 On Peak	
Conservation Charge	N/A	\$0.00369 Off Peak		Distribution Subtotals		\$0.00275 Off Peak	
		\$0.00710 All				\$0.00710 All	
		\$0.00154 All				\$0.01928 On Peak	
		\$0.02500 On Peak				\$0.00985 Off Peak	
		\$0.01233 Off Peak					
Access Charge	\$2.96	\$0.03169 On Peak		Energy Efficiency Charge		\$0.00285 All	
		\$0.02215 Off Peak		Renewable Resources Charge		\$0.00125 All	
Supplier Charges:				Transition Charge	\$3.29	\$0.01057 On Peak	
Generation Charge*	N/A					\$0.00000 Off Peak	
				Supplier Charges:			
				Generation Charge*		\$0.05371 All	
				Totals	\$6.44	\$0.09316 On Peak	
						\$0.07247 Off Peak	
Inflation Adjustment							

1. Assumes a 40% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	28,032	30,368	\$6,096.70	\$6,100.37	\$3.67	0.1%
	400	56,064	60,736	\$12,193.24	\$12,200.60	\$7.36	0.1%
	600	84,096	91,104	\$18,289.77	\$18,300.83	\$11.06	0.1%
	800	112,128	121,472	\$24,386.31	\$24,401.06	\$14.76	0.1%
	1,000	140,160	151,840	\$30,482.84	\$30,501.29	\$18.45	0.1%
	1,500	210,240	227,760	\$45,724.17	\$45,751.87	\$27.69	0.1%
	2,000	280,320	303,680	\$60,965.51	\$61,002.44	\$36.93	0.1%
	2,500	350,400	379,600	\$76,206.84	\$76,253.02	\$46.17	0.1%
	3,000	420,480	455,520	\$91,448.18	\$91,503.59	\$55.42	0.1%

Benchmark Rates - Effective 8/1/97:		Proposed Rates effective 11/1/2000:	
	G - 3		G - 3
Delivery Charges:			
Customer Charge	\$0.16 kWh	Customer Charge	\$0.14 kWh
Internal Transmission	\$0.00089 On Peak \$0.00020 Off Peak	Internal Transmission	\$0.00093 On Peak \$0.00024 Off Peak
External Transmission	\$0.00000 All	External Transmission	\$0.00457 All
Transmission Subtotals	\$0.00089 On Peak \$0.00020 Off Peak	Transmission Subtotals	\$0.00550 On Peak \$0.00481 Off Peak
Distribution	\$0.01636 On Peak \$0.00369 Off Peak	Distribution	\$0.01218 On Peak \$0.00275 Off Peak
Seabrook Amortization Surcharge	\$0.00710 All	Seabrook Amortization Surcharge	\$0.00710 All
Conservation Charge	\$0.00154 All	Distribution Subtotals	\$0.01928 On Peak \$0.00985 Off Peak
Distribution Subtotals	\$0.02500 On Peak \$0.01233 Off Peak	Energy Efficiency Charge	\$0.00285 All
Access Charge	\$0.03169 On Peak \$0.02215 Off Peak	Renewable Resources Charge	\$0.00125 All
Supplier Charges:		Transition Charge	\$0.01057 On Peak \$0.00000 Off Peak
Generation Charge*	\$0.02800 All	Supplier Charges:	
Totals	\$0.06558 On Peak \$0.06268 Off Peak	Generation Charge*	\$0.05371 All
Inflation Adjustment	6.50%	Totals	\$0.09316 On Peak \$0.07247 Off Peak

1. Assumes a 40% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	35,040	23,360	\$6,267.62	\$6,245.37	(\$22.25)	-0.4%
400	70,080	46,720	\$12,535.07	\$12,490.59	(\$44.48)	-0.4%
600	105,120	70,080	\$18,802.52	\$18,735.82	(\$66.70)	-0.4%
800	140,160	93,440	\$25,069.96	\$24,981.04	(\$88.92)	-0.4%
1,000	175,200	116,800	\$31,337.41	\$31,226.27	(\$111.14)	-0.4%
1,500	262,800	175,200	\$47,006.03	\$46,839.33	(\$166.70)	-0.4%
2,000	350,400	233,600	\$62,674.65	\$62,452.40	(\$222.26)	-0.4%
2,500	438,000	292,000	\$78,343.27	\$78,065.46	(\$277.81)	-0.4%
3,000	525,600	350,400	\$94,011.90	\$93,678.52	(\$333.37)	-0.4%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	All kVA \$0.21	\$0.16 kWh	On Peak \$0.00089	Internal Transmission	All kVA \$0.21	\$0.14 kWh	On Peak \$0.00093
External Transmission	N/A	\$0.00020	Off Peak \$0.00020	External Transmission	\$0.00	\$0.00024	Off Peak \$0.00024
Transmission Subtotals	\$0.21	\$0.00089	On Peak \$0.00089	Transmission Subtotals	\$0.21	\$0.00457	All \$0.00457
Distribution	\$3.94	\$0.01636	On Peak \$0.00369	Distribution	\$2.94	\$0.01218	On Peak \$0.01218
Seabrook Amortization Surcharge	N/A	\$0.00710	Off Peak \$0.00369	Seabrook Amortization Surcharge	\$0.00	\$0.00275	Off Peak \$0.00275
Conservation Charge	\$3.94	\$0.00154	All \$0.00154	Distribution Subtotals	\$2.94	\$0.00710	All \$0.00710
		\$0.02500	On Peak \$0.02500			\$0.01928	On Peak \$0.01928
		\$0.01233	Off Peak \$0.01233			\$0.00985	Off Peak \$0.00985
Access Charge	\$2.96	\$0.03169	On Peak \$0.03169	Energy Efficiency Charge		\$0.00285	All \$0.00285
		\$0.02215	Off Peak \$0.02215	Renewable Resources Charge		\$0.00125	All \$0.00125
Supplier Charges:				Transition Charge	\$3.29	\$0.01057	On Peak \$0.01057
Generation Charge*	N/A	\$0.02800	All \$0.02800			\$0.00000	Off Peak \$0.00000
Totals	\$7.11	\$0.08558	On Peak \$0.08558	Supplier Charges:		\$0.05371	All \$0.05371
		\$0.06268	Off Peak \$0.06268	Generation Charge*		\$0.09316	On Peak \$0.09316
Inflation Adjustment		6.50%		Totals	\$6.44	\$0.07247	Off Peak \$0.07247

1. Assumes a 40% monthly load factor and 60% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	35,785	47,435	\$7,942.62	\$8,059.48	\$116.86	1.5%
400	71,569	94,871	\$15,885.06	\$16,118.81	\$233.75	1.5%
600	107,354	142,306	\$23,827.51	\$24,178.15	\$350.64	1.5%
800	143,138	189,742	\$31,769.96	\$32,237.49	\$467.53	1.5%
1,000	178,923	237,177	\$39,712.41	\$40,296.82	\$584.42	1.5%
1,500	268,385	355,766	\$59,568.52	\$60,445.17	\$876.64	1.5%
2,000	357,846	474,354	\$79,424.64	\$80,593.51	\$1,168.86	1.5%
2,500	447,308	592,943	\$99,280.76	\$100,741.85	\$1,461.09	1.5%
3,000	536,769	711,531	\$119,136.88	\$120,890.19	\$1,753.31	1.5%

Benchmark Rates - Effective 8/1/97:			G - 3			Proposed Rates effective 11/1/2000:		
Delivery Charges:						Delivery Charges:		
Customer Charge						Customer Charge		
Internal Transmission						Internal Transmission		
External Transmission						External Transmission		
Transmission Subtotals						Transmission Subtotals		
Distribution						Distribution		
Seabrook Amortization Surcharge						Seabrook Amortization Surcharge		
Conservation Charge						Distribution Subtotals		
Access Charge						Energy Efficiency Charge		
Supplier Charges:						Renewable Resources Charge		
Generation Charge*						Transition Charge		
Inflation Adjustment						Supplier Charges:		
						Generation Charge*		
						Totals		

1. Assumes a 57% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	39,946	43,274	\$8,044.10	\$8,145.57	\$101.47	1.3%
400	79,891	86,549	\$16,088.03	\$16,291.00	\$202.97	1.3%
600	119,837	129,823	\$24,131.95	\$24,436.42	\$304.47	1.3%
800	159,782	173,098	\$32,175.88	\$32,581.85	\$405.97	1.3%
1,000	199,728	216,372	\$40,219.81	\$40,727.28	\$507.47	1.3%
1,500	299,592	324,558	\$60,329.63	\$61,090.85	\$761.22	1.3%
2,000	399,456	432,744	\$80,439.45	\$81,454.42	\$1,014.97	1.3%
2,500	499,320	540,930	\$100,549.27	\$101,817.99	\$1,268.72	1.3%
3,000	599,184	649,116	\$120,659.09	\$122,181.56	\$1,522.47	1.3%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	On Peak	\$0.16 kWh		Internal Transmission	On Peak	\$0.14 kWh	
External Transmission	Off Peak	\$0.00089		External Transmission	Off Peak	\$0.00093	
Transmission Subtotals	All	\$0.00020		Transmission Subtotals	All	\$0.00024	
						\$0.00457	
						\$0.00550	
						\$0.00481	
Distribution	On Peak	\$0.01636		Distribution	On Peak	\$0.01218	
Seabrook Amortization Surcharge	Off Peak	\$0.00369		Seabrook Amortization Surcharge	Off Peak	\$0.00275	
Conservation Charge	All	\$0.00710		Distribution Subtotals	All	\$0.00710	
						\$0.01928	
						\$0.00985	
						\$0.00285	
Access Charge	On Peak	\$0.03169		Energy Efficiency Charge	All	\$0.00125	
	Off Peak	\$0.02215		Renewable Resources Charge	All	\$0.01057	
				Transition Charge	On Peak	\$0.00000	
Supplier Charges:				Supplier Charges:			
Generation Charge*	All	\$0.02800		Generation Charge*	All	\$0.05371	
						\$0.09316	
						\$0.07247	
Totals		\$7.11		Totals		\$6.44	
Inflation Adjustment							

1. Assumes a 57% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates	Proposed Rates	Total Difference	% Total Difference
			Total Revenue	Total Revenue		
200	49,932	33,288	\$8,287.65	\$8,352.19	\$64.53	0.8%
400	99,864	66,576	\$16,575.13	\$16,704.23	\$129.10	0.8%
600	149,796	99,864	\$24,862.61	\$25,056.28	\$193.67	0.8%
800	199,728	133,152	\$33,150.09	\$33,408.33	\$258.23	0.8%
1,000	249,660	166,440	\$41,437.58	\$41,760.37	\$322.80	0.8%
1,500	374,490	249,660	\$62,156.28	\$62,640.49	\$484.21	0.8%
2,000	499,320	332,880	\$82,874.98	\$83,520.60	\$645.62	0.8%
2,500	624,150	416,100	\$103,593.68	\$104,400.72	\$807.04	0.8%
3,000	748,980	499,320	\$124,312.39	\$125,280.84	\$968.45	0.8%

Benchmark Rates - Effective 8/1/97:		G - 3		Proposed Rates effective 11/1/2000:		G - 3	
Delivery Charges:				Delivery Charges:			
Customer Charge		\$0.16 kWh		Customer Charge		\$0.14 kWh	
Internal Transmission		All kVA \$0.21		Internal Transmission		All kVA \$0.21	
External Transmission		On Peak \$0.0089		External Transmission		On Peak \$0.0093	
Transmission Subtotals		Off Peak \$0.0020		Transmission Subtotals		Off Peak \$0.0024	
		All \$0.0000				All \$0.00457	
		On Peak \$0.0089				On Peak \$0.00550	
		Off Peak \$0.0020				Off Peak \$0.00481	
Distribution		On Peak \$0.01636		Distribution		On Peak \$0.01218	
		Off Peak \$0.00369				Off Peak \$0.00275	
Seabrook Amortization Surcharge		On Peak \$0.00710		Seabrook Amortization Surcharge		On Peak \$0.00710	
Conservation Charge		All \$0.00154		Distribution Subtotals		On Peak \$0.01928	
Distribution Subtotals		On Peak \$0.02500				Off Peak \$0.00985	
		Off Peak \$0.01233					
Access Charge		On Peak \$0.03169		Energy Efficiency Charge		All \$0.00285	
		Off Peak \$0.02215		Renewable Resources Charge		All \$0.00125	
Supplier Charges:				Transition Charge		On Peak \$0.01057	
Generation Charge*		All \$0.02800				Off Peak \$0.00000	
		On Peak \$0.08558		Supplier Charges:		\$0.05371	
		Off Peak \$0.06268		Generation Charge*		All \$0.09316	
Totals		\$7.11		Totals		\$0.07247	
Inflation Adjustment		6.50%				On Peak	

1. Assumes a 57% monthly load factor and 60% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates	Proposed Rates	Total Difference	% Total Difference
			Total Revenue	Total Revenue		
200	44,574	59,086	\$9,521.43	\$9,722.61	\$201.18	2.1%
400	89,148	118,172	\$19,042.69	\$19,445.08	\$402.40	2.1%
600	133,721	177,259	\$28,563.95	\$29,167.56	\$603.61	2.1%
800	178,295	236,345	\$38,085.20	\$38,890.03	\$804.82	2.1%
1,000	222,869	295,431	\$47,606.46	\$48,612.50	\$1,006.04	2.1%
1,500	334,304	443,147	\$71,409.61	\$72,918.68	\$1,509.07	2.1%
2,000	445,738	590,862	\$95,212.76	\$97,224.86	\$2,012.11	2.1%
2,500	557,173	738,578	\$119,015.90	\$121,531.04	\$2,515.14	2.1%
3,000	668,607	886,293	\$142,819.05	\$145,837.22	\$3,018.17	2.1%

Benchmark Rates - Effective 8/1/97:		Proposed Rates effective 11/1/2000:	
Delivery Charges:		Delivery Charges:	
Customer Charge		Customer Charge	
Internal Transmission		Internal Transmission	
External Transmission		External Transmission	
Transmission Subtotals		Transmission Subtotals	
Distribution		Distribution	
Seabrook Amortization Surcharge		Seabrook Amortization Surcharge	
Conservation Charge		Distribution Subtotals	
Distribution Subtotals			
Access Charge		Energy Efficiency Charge	
Supplier Charges:		Renewable Resources Charge	
Generation Charge*		Transition Charge	
Inflation Adjustment		Supplier Charges:	
		Generation Charge*	
		Totals	

1. Assumes a 71% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	49,757	53,903	\$9,647.83	\$9,829.85	\$182.01	1.9%
	400	99,514	107,806	\$19,295.50	\$19,659.56	\$364.06	1.9%
	600	149,270	161,710	\$28,943.16	\$29,489.27	\$546.10	1.9%
	800	199,027	215,613	\$38,590.83	\$39,318.97	\$728.15	1.9%
	1,000	248,784	269,516	\$48,238.49	\$49,148.68	\$910.19	1.9%
	1,500	373,176	404,274	\$72,357.65	\$73,722.95	\$1,365.30	1.9%
	2,000	497,568	539,032	\$96,476.81	\$98,297.22	\$1,820.41	1.9%
	2,500	621,960	673,790	\$120,595.97	\$122,871.49	\$2,275.52	1.9%
	3,000	746,352	808,548	\$144,715.13	\$147,445.77	\$2,730.63	1.9%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Conservation Charge				Distribution Subtotals			
Access Charge				Energy Efficiency Charge			
				Renewable Resources Charge			
Supplier Charges:				Transition Charge			
Generation Charge*							
				Supplier Charges:			
				Generation Charge*			
Inflation Adjustment							

1. Assumes a 71% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	62,196	41,464	\$9,951.21	\$10,087.22	\$136.01	1.4%
	400	124,392	82,928	\$19,902.25	\$20,174.29	\$272.05	1.4%
	600	186,588	124,392	\$29,853.28	\$30,261.37	\$408.08	1.4%
	800	248,784	165,856	\$39,804.32	\$40,348.44	\$544.12	1.4%
	1,000	310,980	207,320	\$49,755.36	\$50,435.52	\$680.16	1.4%
	1,500	466,470	310,980	\$74,632.95	\$75,653.21	\$1,020.25	1.4%
	2,000	621,960	414,640	\$99,510.55	\$100,870.89	\$1,360.35	1.4%
	2,500	777,450	518,300	\$124,388.14	\$126,088.58	\$1,700.44	1.4%
	3,000	932,940	621,960	\$149,265.73	\$151,306.27	\$2,040.54	1.4%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	ALL kVA	\$0.21	On Peak	Internal Transmission	ALL kVA	On Peak	
External Transmission	N/A		Off Peak	External Transmission	\$0.21	Off Peak	
Transmission Subtotals	\$0.21		All	Transmission Subtotals	\$0.00	All	
Distribution	\$3.94		On Peak	Distribution	\$2.94	On Peak	
Seabrook Amortization Surcharge	N/A		Off Peak	Seabrook Amortization Surcharge	\$0.00	Off Peak	
Conservation Charge	\$3.94		All	Distribution Subtotals	\$2.94	All	
Access Charge	\$2.96		On Peak	Energy Efficiency Charge		All	
Supplier Charges:			Off Peak	Renewable Resources Charge		All	
Generation Charge*	N/A		On Peak	Transition Charge	\$3.29	On Peak	
Totals	\$7.11		Off Peak	Supplier Charges:		Off Peak	
Inflation Adjustment			6.50%	Generation Charge*		All	
				Totals	\$6.44	On Peak	

1. Assumes a 71% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-4 Rate Customers

Average Monthly kW	On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	2,102	2,278	\$499.97	\$493.78	(\$6.18)	-1.2%
20	4,205	4,555	\$995.50	\$983.83	(\$11.68)	-1.2%
50	10,512	11,388	\$2,482.11	\$2,453.95	(\$28.15)	-1.1%
75	15,768	17,082	\$3,720.95	\$3,679.06	(\$41.89)	-1.1%
100	21,024	22,776	\$4,959.78	\$4,904.17	(\$55.62)	-1.1%
125	26,280	28,470	\$6,198.62	\$6,129.27	(\$69.35)	-1.1%
150	31,536	34,164	\$7,437.46	\$7,354.38	(\$83.08)	-1.1%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				G - 4			
Customer Charge				Customer Charge			
				kWh			
				\$4.16			
				kWh			
				\$3.74			
				All kW			
				\$0.35			
				On Peak			
				\$0.00102			
				Off Peak			
				\$0.00022			
				All			
				\$0.00000			
				On Peak			
				\$0.00102			
				Off Peak			
				\$0.00022			
				On Peak			
				\$0.01877			
				Off Peak			
				\$0.00415			
				All			
				\$0.00932			
				All			
				\$0.00251			
				On Peak			
				\$0.03060			
				Off Peak			
				\$0.01598			
				On Peak			
				\$0.03350			
				Off Peak			
				\$0.02250			
				All			
				\$0.02800			
				On Peak			
				\$0.09312			
				Off Peak			
				\$0.06670			
				Totals			
				\$11.76			
				Totals			
				\$10.65			
				Totals			
				\$0.05371			
				On Peak			
				\$0.10000			
				Off Peak			
				\$0.07609			
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Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-6 Rate Customers

	On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	25	25	\$18.03	\$16.06	(\$1.97)	-10.9%
	50	50	\$24.17	\$22.08	(\$2.09)	-8.6%
	100	100	\$36.45	\$34.12	(\$2.33)	-6.4%
	150	150	\$48.73	\$46.15	(\$2.58)	-5.3%
	200	200	\$61.01	\$58.19	(\$2.82)	-4.6%
	250	250	\$73.29	\$70.23	(\$3.06)	-4.2%
	375	375	\$104.00	\$100.33	(\$3.67)	-3.5%
	500	500	\$134.70	\$130.42	(\$4.28)	-3.2%

Benchmark Rates - Effective 8/1/97:				G - 6				Proposed Rates effective 11/1/2000:			
Delivery Charges:								Delivery Charges:			
Customer Charge				\$11.16				Customer Charge			\$10.04
				kWh							kWh
Internal Transmission		On Peak	\$0.00301		On Peak			Internal Transmission		On Peak	\$0.00305
		Off Peak	\$0.00031		Off Peak					Off Peak	\$0.00035
External Transmission		All	\$0.00000		All			External Transmission		All	\$0.00457
		On Peak Transmission Subtotal	\$0.00301		On Peak Transmission Subtotal					On Peak Transmission Subtotal	\$0.00762
		Off Peak Transmission Subtotal	\$0.00031		Off Peak Transmission Subtotal					Off Peak Transmission Subtotal	\$0.00492
Distribution		On Peak	\$0.05556		On Peak			Distribution		On Peak	\$0.06182
		Off Peak	\$0.00570		Off Peak					Off Peak	\$0.00634
Seabrook Amortization Surcharge		All	\$0.00932		All			Seabrook Amortization Surcharge		All	\$0.00932
Conservation Charge		All	\$0.00327		All					On Peak Distribution Subtotal	\$0.07114
		On Peak Distribution Subtotal	\$0.06815		On Peak Distribution Subtotal					Off Peak Distribution Subtotal	\$0.01566
		Off Peak Distribution Subtotal	\$0.01829		Off Peak Distribution Subtotal						
Access Charge		On Peak	\$0.06121		On Peak			Energy Efficiency Charge		All	\$0.00285
		Off Peak	\$0.02367		Off Peak			Renewable Resources Charge		All	\$0.00125
Supplier Charges:								Transition Charge		On Peak	\$0.02470
Generation Charge*		All	\$0.02800		All					Off Peak	\$0.00110
		Total On Peak	\$0.16037		Total On Peak			Supplier Charges:		All	\$0.05371
		Total On Peak	\$0.07027		Total On Peak			Generation Charge*			
Inflation Adjustment			6.50%							Total On Peak	\$0.16127
										Total On Peak	\$0.07949

1. Assumes a 50% On Peak Energy Usage

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on S Rate Customers

	<u>Lumens</u>	<u>Luminaire</u>	<u>Average Monthly kWh</u>	<u>Benchmark Rates Total Revenue</u>	<u>Proposed Rates Total Revenue</u>	<u>Total Difference</u>	<u>% Total Difference</u>
	<u>Mercury Vapor:</u>						
1	3,500	Residential and Commercial Type	39.3	\$10.60	\$9.62	(\$0.98)	-9.25%
2	7,000	Residential and Commercial Type	68.3	\$13.72	\$12.75	(\$0.97)	-7.10%
3	3,500	Street and Highway Type	39.3	\$10.60	\$9.62	(\$0.98)	-9.25%
4	7,000	Street and Highway Type	68.3	\$13.72	\$12.75	(\$0.97)	-7.10%
5	20,000	Street and Highway Type	157.3	\$27.57	\$25.96	(\$1.61)	-5.85%
6	60,000	Street and Highway Type	369	\$58.11	\$55.33	(\$2.78)	-4.78%
7	20,000	Flood Light Type	157.3	\$29.13	\$27.28	(\$1.86)	-6.38%
8	3,500	Power Bracket Included	39.3	\$10.95	\$9.91	(\$1.03)	-9.42%
9	7,000	Power Bracket Included	68.3	\$14.27	\$13.21	(\$1.06)	-7.41%
	<u>High Pressure Sodium:</u>						
10	3,300	Residential and Commercial Type	21.3	\$8.18	\$7.27	(\$0.91)	-11.10%
11	9,500	Residential and Commercial Type	43	\$11.13	\$10.13	(\$0.99)	-8.94%
12	3,300	Street and Highway Type	21.3	\$8.18	\$7.27	(\$0.91)	-11.10%
13	9,500	Street and Highway Type	43	\$11.13	\$10.13	(\$0.99)	-8.94%
14	20,000	Street and Highway Type	108	\$20.08	\$18.80	(\$1.28)	-6.39%
15	50,000	Street and Highway Type	172.3	\$30.03	\$28.29	(\$1.75)	-5.81%
16	140,000	Street and Highway Type	403.8	\$65.63	\$62.27	(\$3.36)	-5.12%
17	50,000	Flood Light Type	172.3	\$32.65	\$30.51	(\$2.15)	-6.57%
	<u>Ornamental Lighting:</u>						
18	3,300	Street and Highway Type	21.3	\$6.89	\$6.18	(\$0.71)	-10.29%

Benchmark Rates - Effective 8/1/97:

	\$
<u>Delivery Charges:</u>	
Customer Charge	\$0.00
	kWh
Internal Transmission	(\$0.00002)
External Transmission	\$0.00000
Transmission Subtotal	(\$0.00002)
Distribution	(\$0.00035)
Seabrook Amortization Surcharge	\$0.00766
Conservation Charge	\$0.00000
Distribution Subtotal	\$0.00731
Transition Charge	\$0.01910
<u>Supplier Charges:</u>	
Generation Charge*	\$0.02800
Total	\$0.05439
Inflation Adjustment	6.50%

Proposed Rates effective 11/1/2000:

	\$
<u>Delivery Charges:</u>	
Customer Charge	\$0.00
	kWh
Internal Transmission	\$0.00004
External Transmission	\$0.00457
Transmission Subtotal	\$0.00461
Distribution	\$0.00059
Seabrook Amortization Surcharge	\$0.00766
Distribution Subtotal	\$0.00825
Energy Efficiency Charge	\$0.00285
Renewable Resources Charge	\$0.00125
Transition Charge	\$0.01290
<u>Supplier Charges:</u>	
Generation Charge*	\$0.05371
Total	\$0.08357

* Standard Offer Service

	<u>Internal</u>	<u>Distribution</u>	<u>Access Charge- Base Component</u>	<u>Total</u>	<u>Internal</u>	<u>Distribution</u>	<u>Transition Charge- Power Supply</u>	<u>Total</u>
<u>Luminaire Charges:</u>	<u>Transmission</u>				<u>Transmission</u>			
1	\$0.23	\$4.33	\$3.26	\$7.82	\$0.23	\$6.11	\$0.00	\$6.34
2	\$0.27	\$5.08	\$3.82	\$9.17	\$0.27	\$6.77	\$0.00	\$7.04
3	\$0.23	\$4.33	\$3.26	\$7.82	\$0.23	\$6.11	\$0.00	\$6.34
4	\$0.27	\$5.08	\$3.82	\$9.17	\$0.27	\$6.77	\$0.00	\$7.04
5	\$0.52	\$9.59	\$7.22	\$17.33	\$0.52	\$12.29	\$0.00	\$12.81
6	\$1.03	\$19.09	\$14.37	\$34.49	\$1.02	\$23.47	\$0.00	\$24.49
7	\$0.56	\$10.41	\$7.83	\$18.80	\$0.56	\$13.57	\$0.00	\$14.13
8	\$0.24	\$4.51	\$3.39	\$8.14	\$0.24	\$6.39	\$0.00	\$6.63
9	\$0.29	\$5.36	\$4.03	\$9.68	\$0.29	\$7.21	\$0.00	\$7.50
10	\$0.20	\$3.60	\$2.72	\$6.52	\$0.20	\$5.29	\$0.00	\$5.49
11	\$0.24	\$4.49	\$3.38	\$8.11	\$0.24	\$6.30	\$0.00	\$6.54
12	\$0.20	\$3.60	\$2.72	\$6.52	\$0.20	\$5.29	\$0.00	\$5.49
13	\$0.24	\$4.49	\$3.38	\$8.11	\$0.24	\$6.30	\$0.00	\$6.54
14	\$0.39	\$7.18	\$5.41	\$12.98	\$0.39	\$9.38	\$0.00	\$9.77
15	\$0.56	\$10.42	\$7.85	\$18.83	\$0.56	\$13.33	\$0.00	\$13.89
16	\$1.19	\$21.94	\$16.53	\$39.66	\$1.18	\$27.34	\$0.00	\$28.52
17	\$0.64	\$11.78	\$8.87	\$21.29	\$0.64	\$15.47	\$0.00	\$16.11
18	\$0.16	\$2.94	\$2.21	\$5.31	\$0.16	\$4.24	\$0.00	\$4.40

Fitchburg Gas and Electric Light Company						
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge						
Impact on R-1 Rate Customers						
	Average Monthly kWh	Benchmark Rates		Proposed Rates Total Revenue	Total Difference	% Total Difference
		Total Revenue				
	125	\$21.46		\$18.52	(\$2.94)	-13.7%
	150	\$25.08		\$21.66	(\$3.42)	-13.6%
	500	\$75.75		\$65.57	(\$10.18)	-13.4%
	750	\$111.94		\$96.93	(\$15.01)	-13.4%
	1000	\$148.13		\$128.29	(\$19.84)	-13.4%
	1250	\$184.32		\$159.65	(\$24.67)	-13.4%
	1500	\$220.52		\$191.02	(\$29.50)	-13.4%
	2000	\$292.90		\$253.74	(\$39.16)	-13.4%
Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:		
R - 1				R - 1		
Delivery Charges:				Delivery Charges:		
Customer Charge			\$3.16	Customer Charge		\$2.84
			kWh			kWh
Internal Transmission			\$0.00192	Internal Transmission		\$0.00196
External Transmission			\$0.00000	External Transmission		\$0.00457
			\$0.00192			\$0.00653
			Transmission Subtotal			Transmission Subtotal
Distribution			\$0.03553	Distribution		\$0.04002
Seabrook Amortization Surcharge			\$0.00819	Seabrook Amortization Surcharge		\$0.00819
Conservation Charge			\$0.00141			\$0.04821
			\$0.04513			
			Distribution Subtotal			Distribution Subtotal
Access Charge			\$0.04613	Energy Efficiency Charge		\$0.00285
				Renewable Resources Charge		\$0.00125
				Transition Charge		\$0.01290
Supplier Charges:				Supplier Charges:		
Generation Charge*			\$0.02800	Generation Charge*		\$0.05371
			\$0.12118			
		Total				
			6.50%			
			\$0.01571			
				Total		Total
						\$0.12545
Inflation Adjustment						
Fuel Adjustment						

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on R-2 Rate Customers

Average Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
125	\$16.29	\$14.14	(\$2.16)	-13.3%
150	\$19.14	\$16.61	(\$2.53)	-13.2%
500	\$58.92	\$51.26	(\$7.66)	-13.0%
750	\$87.33	\$76.01	(\$11.32)	-13.0%
1,000	\$115.75	\$100.76	(\$14.99)	-12.9%
1,250	\$144.16	\$125.51	(\$18.65)	-12.9%
1,500	\$172.57	\$150.26	(\$22.31)	-12.9%
2,000	\$229.40	\$199.76	(\$29.64)	-12.9%

Benchmark Rates - Effective 8/1/97:		Proposed Rates effective 11/1/2000:	
		R - 2	
Delivery Charges:		Delivery Charges:	
Customer Charge	\$1.96	Customer Charge	\$1.76
	kWh		kWh
Internal Transmission	\$0.00192	Internal Transmission	\$0.00196
External Transmission	\$0.00000	External Transmission	\$0.00457
			\$0.00653
	Transmission Subtotal		Transmission Subtotal
Distribution	\$0.02074	Distribution	\$0.01684
Seabrook Amortization Surcharge	\$0.00492	Seabrook Amortization Surcharge	\$0.00492
Conservation Charge	\$0.00141		\$0.02176
	Distribution Subtotal		Distribution Subtotal
Access Charge	\$0.02707	Energy Efficiency Charge	\$0.00285
		Renewable Resources Charge	\$0.00125
Supplier Charges:		Transition Charge	\$0.01290
Generation Charge *	\$0.02800	Supplier Charges:	
		Generation Charge *	\$0.05371
	Total		Total
	\$0.09197		\$0.09900
Inflation Adjustment			
Fuel Adjustment	6.50%		
	\$0.01571		

* Standard Offer Service

	On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	400	600	\$149.44	\$129.36	(\$20.08)	-13.4%
	600	900	\$217.15	\$188.11	(\$29.04)	-13.4%
	800	1200	\$284.86	\$246.87	(\$37.99)	-13.3%
	1200	1800	\$420.29	\$364.39	(\$55.90)	-13.3%
	1600	2400	\$555.71	\$481.90	(\$73.81)	-13.3%
	2000	3000	\$691.14	\$599.42	(\$91.72)	-13.3%
	3200	4800	\$1,097.41	\$951.97	(\$145.44)	-13.3%
	4000	6000	\$1,368.26	\$1,187.00	(\$181.26)	-13.2%

Benchmark Rates - Effective 8/1/97:		Proposed Rates effective 11/1/2000:	
	R - 4		R - 4
Deliver Charges:		Deliver Charges:	
Customer Charge	\$13.16 kWh	Customer Charge	\$11.84 kWh
Internal Transmission	On Peak Off Peak	Internal Transmission	On Peak Off Peak
External Transmission	All	External Transmission	All
	On Peak Transmission Subtotal		On Peak Transmission Subtotal
	Off Peak Transmission Subtotal		Off Peak Transmission Subtotal
Distribution	On Peak Off Peak	Distribution	On Peak Off Peak
Seabrook Amortization Surcharge	All	Seabrook Amortization Surcharge	All
Conservation Charge	All		
	On Peak Distribution Subtotal		On Peak Distribution Subtotal
	Off Peak Distribution Subtotal		Off Peak Distribution Subtotal
Access Charge	On Peak Off Peak	Energy Efficiency Charge	All
		Renewable Resources Charge	All
		Transition Charge	On Peak Off Peak
Supplier Charges:		Supplier Charges:	
Generation Charge*	All	Generation Charge*	All
	Total On Peak		Total On Peak
	Total Off Peak		Total Off Peak
Inflation Adjustment	6.50%		
Fuel Adjustment	\$0.01571		

1. Assumes 40% On Peak Energy Usage

*** Standard Offer Service**

**Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-1 Rate Customers**

Average Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
50	\$14.96	\$12.81	(\$2.16)	-14.4%
100	\$22.30	\$19.17	(\$3.13)	-14.0%
200	\$36.98	\$31.90	(\$5.08)	-13.7%
300	\$51.66	\$44.63	(\$7.03)	-13.6%
400	\$66.34	\$57.36	(\$8.98)	-13.5%
500	\$81.02	\$70.10	(\$10.93)	-13.5%
750	\$117.72	\$101.92	(\$15.80)	-13.4%
1000	\$154.42	\$133.75	(\$20.67)	-13.4%

Benchmark Rates - Effective 8/1/97:	G - 1	Proposed Rates effective 11/1/2000:	G - 1
<u>Delivery Charges:</u>		<u>Delivery Charges:</u>	
Customer Charge	\$7.16	Customer Charge	\$6.44
	kWh		kWh
Internal Transmission	\$0.00189	Internal Transmission	\$0.00193
External Transmission	<u>\$0.00000</u>	External Transmission	\$0.00457
	\$0.00189		\$0.00650
Transmission Subtotal		Transmission Subtotal	
Distribution	\$0.03493	Distribution	\$0.04078
Seabrook Amortization Surcharge	\$0.00932	Seabrook Amortization Surcharge	\$0.00932
Conservation Charge	<u>\$0.00327</u>		\$0.05010
	\$0.04752	Distribution Subtotal	
Distribution Subtotal			
		Energy Efficiency Charge	\$0.00285
Access Charge	\$0.04567	Renewable Resources Charge	\$0.00125
		Transition Charge	\$0.01290
<u>Supplier Charges:</u>		<u>Supplier Charges:</u>	
Generation Charge*	\$0.02800	Generation Charge*	\$0.05371
Total	\$0.12308		
Inflation Adjustment	6.50%	Total	\$0.12731
Fuel Adjustment	\$0.01571		

*** Standard Offer Service**

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	1,460	\$252.06	\$217.71	(\$34.35)	-13.6%
20	2,920	\$503.94	\$435.28	(\$68.67)	-13.6%
50	7,300	\$1,259.60	\$1,087.98	(\$171.62)	-13.6%
75	10,950	\$1,889.32	\$1,631.90	(\$257.41)	-13.6%
100	14,600	\$2,519.03	\$2,175.83	(\$343.21)	-13.6%
125	18,250	\$3,148.75	\$2,719.75	(\$429.00)	-13.6%
150	21,900	\$3,778.46	\$3,263.67	(\$514.80)	-13.6%

Benchmark Rates - Effective 8/1/97:			G - 2			Proposed Rates effective 11/1/2000:			G - 2		
Delivery Charges:						Delivery Charges:					
Customer Charge						Customer Charge					
Internal Transmission						Internal Transmission					
External Transmission						External Transmission					
Transmission Subtotal						Transmission Subtotal					
Distribution						Distribution					
Seabrook Amortization Surcharge						Seabrook Amortization Surcharge					
Conservation Charge						Distribution Subtotal					
Distribution Subtotal						Energy Efficiency Charge					
Access Charge						Renewable Resources Charge					
Supplier Charges:						Transition Charge					
Generation Charge*						Supplier Charges:					
						Generation Charge*					
Totals						Totals					
Inflation Adjustment											
Fuel Adjustment											

1. Assumes a monthly load factor of 20%
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	2,555	\$364.85	\$316.16	(\$48.69)	-13.3%
20	5,110	\$729.53	\$632.18	(\$97.35)	-13.3%
50	12,775	\$1,823.57	\$1,580.24	(\$243.33)	-13.3%
75	19,163	\$2,735.27	\$2,370.29	(\$364.98)	-13.3%
100	25,550	\$3,646.97	\$3,160.34	(\$486.63)	-13.3%
125	31,938	\$4,558.67	\$3,950.39	(\$608.28)	-13.3%
150	38,325	\$5,470.37	\$4,740.44	(\$729.93)	-13.3%

Benchmark Rates - Effective 8/1/97:				G - 2				Proposed Rates effective 11/1/2000:				G - 2			
Delivery Charges:								Delivery Charges:							
Customer Charge								Customer Charge							
Internal Transmission								Internal Transmission							
External Transmission								External Transmission							
Transmission Subtotal								Transmission Subtotal							
Distribution								Distribution							
Seabrook Amortization Surcharge								Seabrook Amortization Surcharge							
Conservation Charge								Distribution Subtotal							
Distribution Subtotal								Energy Efficiency Charge							
Access Charge								Renewable Resources Charge							
Supplier Charges:								Transition Charge							
Generation Charge*								Supplier Charges:							
								Generation Charge*							
Totals								Totals							
Inflation Adjustment															
Fuel Adjustment															

1. Assumes a monthly load factor of 35%

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-2 Rate Customers

Average Monthly kW	Average Monthly kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	3,650	\$477.64	\$414.61	(\$63.03)	-13.2%
20	7,300	\$955.12	\$829.08	(\$126.04)	-13.2%
50	18,250	\$2,387.54	\$2,072.50	(\$315.04)	-13.2%
75	27,375	\$3,581.22	\$3,108.68	(\$472.55)	-13.2%
100	36,500	\$4,774.91	\$4,144.86	(\$630.05)	-13.2%
125	45,625	\$5,968.59	\$5,181.03	(\$787.56)	-13.2%
150	54,750	\$7,162.28	\$6,217.21	(\$945.07)	-13.2%

Benchmark Rates - Effective 8/1/97:		Proposed Rates effective 11/1/2000:	
G - 2		G - 2	
Delivery Charges:		Delivery Charges:	
Customer Charge	\$0.14 kW	Customer Charge	\$0.29 kW
Internal Transmission	\$0.00068	Internal Transmission	\$0.00072
External Transmission	\$0.00000	External Transmission	\$0.00457
Transmission Subtotal	\$0.00068	Transmission Subtotal	\$0.00529
Distribution	\$0.01260	Distribution	\$0.01417
Seabrook Amortization Surcharge	\$0.00932	Seabrook Amortization Surcharge	\$0.00932
Conservation Charge	\$0.00251	Distribution Subtotal	\$0.02349
Distribution Subtotal	\$0.02443	Energy Efficiency Charge	\$0.00285
Access Charge	\$0.02886	Renewable Resources Charge	\$0.00125
Supplier Charges:		Transition Charge	\$0.00332
Generation Charge*	\$0.02800	Supplier Charges:	
Totals	\$9.53	Generation Charge*	\$0.05371
Inflation Adjustment		Totals	\$8.63
Fuel Adjustment	6.50%		
	\$0.01571		\$0.08991

1. Assumes a monthly load factor of 50%

* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	25,112	33,288	\$6,942.95	\$6,039.96	(\$903.00)	-13.0%
400	50,224	66,576	\$13,885.74	\$12,079.77	(\$1,805.97)	-13.0%
600	75,336	99,864	\$20,828.52	\$18,119.59	(\$2,708.93)	-13.0%
800	100,448	133,152	\$27,771.30	\$24,159.40	(\$3,611.90)	-13.0%
1,000	125,560	166,440	\$34,714.09	\$30,199.22	(\$4,514.87)	-13.0%
1,500	188,340	249,660	\$52,071.05	\$45,298.75	(\$6,772.29)	-13.0%
2,000	251,120	332,880	\$69,428.00	\$60,398.29	(\$9,029.71)	-13.0%
2,500	313,900	416,100	\$86,784.96	\$75,497.83	(\$11,287.13)	-13.0%
3,000	376,680	499,320	\$104,141.92	\$90,597.37	(\$13,544.55)	-13.0%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission				Internal Transmission			
External Transmission				External Transmission			
Transmission Subtotals				Transmission Subtotals			
Distribution				Distribution			
Seabrook Amortization Surcharge				Seabrook Amortization Surcharge			
Conservation Charge				Distribution Subtotals			
Access Charge				Energy Efficiency Charge			
Supplier Charges:				Renewable Resources Charge			
Generation Charge*				Transition Charge			
				Supplier Charges:			
				Generation Charge*			
Inflation Adjustment							
Fuel Adjustment							

1. Assumes a 40% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	28,032	30,368	\$7,014.17	\$6,100.37	(\$913.80)	-13.0%
	400	56,064	60,736	\$14,028.17	\$12,200.60	(\$1,827.57)	-13.0%
	600	84,096	91,104	\$21,042.16	\$18,300.83	(\$2,741.33)	-13.0%
	800	112,128	121,472	\$28,056.16	\$24,401.06	(\$3,655.10)	-13.0%
	1,000	140,160	151,840	\$35,070.16	\$30,501.29	(\$4,568.87)	-13.0%
	1,500	210,240	227,760	\$52,605.15	\$45,751.87	(\$6,853.29)	-13.0%
	2,000	280,320	303,680	\$70,140.15	\$61,002.44	(\$9,137.71)	-13.0%
	2,500	350,400	379,600	\$87,675.14	\$76,253.02	(\$11,422.13)	-13.0%
	3,000	420,480	455,520	\$105,210.14	\$91,503.59	(\$13,706.54)	-13.0%

Benchmark Rates - Effective 8/1/97:			Proposed Rates effective 11/1/2000:		
G - 3			G - 3		
Delivery Charges:			Delivery Charges:		
Customer Charge	\$0.16 kWh		Customer Charge	\$0.14 kWh	
Internal Transmission	\$0.00089 On Peak \$0.00020 Off Peak	All kVA \$0.21	Internal Transmission	\$0.00093 On Peak \$0.00024 Off Peak	On Peak Off Peak
External Transmission	\$0.00000 All	N/A	External Transmission	\$0.00457 All	All
Transmission Subtotals		\$0.21	Transmission Subtotals		\$0.00550 On Peak \$0.00481 Off Peak
Distribution	\$0.01636 On Peak \$0.00369 Off Peak	\$3.94	Distribution	\$0.01218 On Peak \$0.00275 Off Peak	On Peak Off Peak
Seabrook Amortization Surcharge	\$0.00710 All	N/A	Seabrook Amortization Surcharge	\$0.00710 All	All
Conservation Charge	\$0.00154 All	\$3.94	Distribution Subtotals		\$0.01928 On Peak \$0.00985 Off Peak
Access Charge		\$2.96	Energy Efficiency Charge		All
Supplier Charges:			Renewable Resources Charge		\$0.00125 All
Generation Charge*	\$0.02800 All	N/A	Transition Charge		\$0.01057 On Peak \$0.00000 Off Peak
Inflation Adjustment			Supplier Charges:		
Fuel Adjustment	\$0.08558 On Peak \$0.06268 Off Peak	\$7.11	Generation Charge*		\$0.05371 All
Totals			Totals		\$0.09316 On Peak \$0.07247 Off Peak

1. Assumes a 40% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh	Average Off Peak kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	35,040	23,360	\$7,185.08	\$6,245.37	(\$939.72)	-13.1%
	400	70,080	46,720	\$14,370.00	\$12,490.59	(\$1,879.40)	-13.1%
	600	105,120	70,080	\$21,554.91	\$18,735.82	(\$2,819.09)	-13.1%
	800	140,160	93,440	\$28,739.82	\$24,981.04	(\$3,758.78)	-13.1%
	1,000	175,200	116,800	\$35,924.73	\$31,226.27	(\$4,698.46)	-13.1%
	1,500	262,800	175,200	\$53,887.01	\$46,839.33	(\$7,047.68)	-13.1%
	2,000	350,400	233,600	\$71,849.29	\$62,452.40	(\$9,396.90)	-13.1%
	2,500	438,000	292,000	\$89,811.57	\$78,065.46	(\$11,746.11)	-13.1%
	3,000	525,600	350,400	\$107,773.86	\$93,678.52	(\$14,095.33)	-13.1%

Benchmark Rates - Effective 8/1/97:			Proposed Rates effective 11/1/2000:		
G - 3			G - 3		
Delivery Charges:			Delivery Charges:		
Customer Charge	All kVA \$0.21	\$0.16 kWh	Customer Charge	All kVA \$0.21	\$0.14 kWh
Internal Transmission	N/A	\$0.00089 On Peak \$0.00020 Off Peak \$0.00000 All	Internal Transmission	\$0.21	\$0.00093 On Peak \$0.00024 Off Peak \$0.00457 All
External Transmission	\$0.21	\$0.00089 On Peak \$0.00020 Off Peak	External Transmission	\$0.00	\$0.00550 On Peak \$0.00481 Off Peak
Transmission Subtotals			Transmission Subtotals		
Distribution	\$3.94	\$0.01636 On Peak \$0.00369 Off Peak \$0.00710 All	Distribution	\$2.94	\$0.01218 On Peak \$0.00275 Off Peak
Seabrook Amortization Surcharge	N/A	\$0.00154 All	Seabrook Amortization Surcharge	\$0.00	\$0.00710 All
Conservation Charge	\$3.94	\$0.02500 On Peak \$0.01233 Off Peak	Distribution Subtotals	\$2.94	\$0.01928 On Peak \$0.00985 Off Peak
Access Charge	\$2.96	\$0.03169 On Peak \$0.02215 Off Peak	Energy Efficiency Charge		\$0.00285 All
Supplier Charges:			Renewable Resources Charge		\$0.00125 All
Generation Charge*	N/A	\$0.02800 All	Transition Charge	\$3.29	\$0.01057 On Peak \$0.00000 Off Peak
Totals		\$0.06558 On Peak \$0.06268 Off Peak	Supplier Charges:		\$0.05371 All
Inflation Adjustment		6.50%	Generation Charge*	\$6.44	\$0.09316 On Peak \$0.07247 Off Peak
Fuel Adjustment		\$0.01571 All	Totals		

1. Assumes a 40% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	35,785	47,435	\$9,250.00	\$8,059.48	(\$1,190.53)	-12.9%
	400	71,569	94,871	\$18,499.84	\$16,118.81	(\$2,381.02)	-12.9%
	600	107,354	142,306	\$27,749.67	\$24,178.15	(\$3,571.52)	-12.9%
	800	143,138	189,742	\$36,999.50	\$32,237.49	(\$4,762.02)	-12.9%
	1,000	178,923	237,177	\$46,249.34	\$40,296.82	(\$5,952.51)	-12.9%
	1,500	268,385	355,766	\$69,373.92	\$60,445.17	(\$8,928.76)	-12.9%
	2,000	357,846	474,354	\$92,498.50	\$80,593.51	(\$11,905.00)	-12.9%
	2,500	447,308	592,943	\$115,623.09	\$100,741.85	(\$14,881.24)	-12.9%
	3,000	536,769	711,531	\$138,747.67	\$120,890.19	(\$17,857.48)	-12.9%

[illegible]

1. Assumes a 57% monthly load factor and 43% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates		Proposed Rates Total Revenue	Total Difference	% Total Difference
				Total Revenue				
	200	39,946	43,274	\$9,351.48	\$8,145.57	(\$1,205.92)	-12.9%	
	400	79,891	86,549	\$18,702.80	\$16,291.00	(\$2,411.80)	-12.9%	
	600	119,837	129,823	\$28,054.11	\$24,436.42	(\$3,617.69)	-12.9%	
	800	159,782	173,098	\$37,405.43	\$32,581.85	(\$4,823.57)	-12.9%	
	1,000	199,728	216,372	\$46,756.74	\$40,727.28	(\$6,029.46)	-12.9%	
	1,500	299,592	324,558	\$70,135.03	\$61,090.85	(\$9,044.18)	-12.9%	
	2,000	399,456	432,744	\$93,513.31	\$81,454.42	(\$12,058.89)	-12.9%	
	2,500	499,320	540,930	\$116,891.60	\$101,817.99	(\$15,073.61)	-12.9%	
	3,000	599,184	649,116	\$140,269.88	\$122,181.56	(\$18,088.32)	-12.9%	

Benchmark Rates - Effective 8/1/97:		G - 3		Proposed Rates effective 11/1/2000:		G - 3	
Delivery Charges:				Delivery Charges:			
Customer Charge		All kVA	\$0.16 kWh	Customer Charge	All kVA		\$0.14 kWh
Internal Transmission			On Peak \$0.00089 Off Peak \$0.00020	Internal Transmission			On Peak \$0.00093 Off Peak \$0.00024
External Transmission			All \$0.00000	External Transmission			All \$0.00457
Transmission Subtotals			On Peak \$0.00089 Off Peak \$0.00020	Transmission Subtotals			On Peak \$0.00550 Off Peak \$0.00481
Distribution			On Peak \$0.01636 Off Peak \$0.00369	Distribution			On Peak \$0.01218 Off Peak \$0.00275
Seabrook Amortization Surcharge			All \$0.00710	Seabrook Amortization Surcharge			All \$0.00710
Conservation Charge			All \$0.00154	Distribution Subtotals			On Peak \$0.01928 Off Peak \$0.00985
Distribution Subtotals			On Peak \$0.02500 Off Peak \$0.01233				All \$0.00285 All \$0.00125
Access Charge			On Peak \$0.03169 Off Peak \$0.02215	Energy Efficiency Charge			On Peak \$0.01057 Off Peak \$0.00000
Supplier Charges:				Renewable Resources Charge			
Generation Charge*			All \$0.02800	Transition Charge			
			On Peak \$0.08558 Off Peak \$0.06268	Supplier Charges:			
Totals			6.50% \$0.01571	Generation Charge*			
Inflation Adjustment				Totals			
Fuel Adjustment							

1. Assumes a 57% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	49,932	33,288	\$9,595.04	\$8,352.19	(\$1,242.85)	-13.0%
400	99,864	66,576	\$19,189.91	\$16,704.23	(\$2,485.67)	-13.0%
600	149,796	99,864	\$28,784.77	\$25,056.28	(\$3,728.49)	-13.0%
800	199,728	133,152	\$38,379.64	\$33,408.33	(\$4,971.31)	-13.0%
1,000	249,660	166,440	\$47,974.51	\$41,760.37	(\$6,214.13)	-13.0%
1,500	374,490	249,660	\$71,961.68	\$62,640.49	(\$9,321.19)	-13.0%
2,000	499,320	332,880	\$95,948.84	\$83,520.60	(\$12,428.24)	-13.0%
2,500	624,150	416,100	\$119,936.01	\$104,400.72	(\$15,535.29)	-13.0%
3,000	748,980	499,320	\$143,923.18	\$125,280.84	(\$18,642.34)	-13.0%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	ALL kVA	\$0.16 kWh	On Peak	Internal Transmission	ALL kVA	\$0.14 kWh	On Peak
External Transmission		\$0.00089	Off Peak	External Transmission		\$0.00093	Off Peak
Transmission Subtotals	N/A	\$0.00020	All	Transmission Subtotals		\$0.00024	All
						\$0.00457	On Peak
Distribution	\$3.94	\$0.01636	On Peak	Distribution		\$0.00481	Off Peak
Seabrook Amortization Surcharge		\$0.00369	Off Peak	Seabrook Amortization Surcharge		\$0.01218	On Peak
Conservation Charge	N/A	\$0.00710	All	Distribution Subtotals		\$0.00275	Off Peak
						\$0.00710	All
						\$0.01928	On Peak
						\$0.00985	Off Peak
Access Charge	\$2.96	\$0.02500	On Peak	Energy Efficiency Charge		\$0.00285	All
		\$0.01233	Off Peak	Renewable Resources Charge		\$0.00125	All
				Transition Charge		\$0.01057	On Peak
Supplier Charges:						\$0.00000	Off Peak
Generation Charge*	N/A	\$0.02800	All	Supplier Charges:		\$0.05371	All
				Generation Charge*		\$0.09316	On Peak
Totals	\$7.11	\$0.08558	On Peak	Totals		\$0.07247	Off Peak
		\$0.06268	Off Peak				
Inflation Adjustment		6.50%					
Fuel Adjustment		\$0.01571	All				

1. Assumes a 57% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	44,574	59,086	\$11,149.93	\$9,722.61	(\$1,427.32)	-12.8%
400	89,148	118,172	\$22,299.68	\$19,445.08	(\$2,854.60)	-12.8%
600	133,721	177,259	\$33,449.44	\$29,167.56	(\$4,281.89)	-12.8%
800	178,295	236,345	\$44,599.20	\$38,890.03	(\$5,709.17)	-12.8%
1,000	222,869	295,431	\$55,748.96	\$48,612.50	(\$7,136.46)	-12.8%
1,500	334,304	443,147	\$83,623.35	\$72,918.68	(\$10,704.67)	-12.8%
2,000	445,738	590,862	\$111,497.74	\$97,224.86	(\$14,272.88)	-12.8%
2,500	557,173	738,578	\$139,372.13	\$121,531.04	(\$17,841.09)	-12.8%
3,000	668,607	886,293	\$167,246.53	\$145,837.22	(\$21,409.30)	-12.8%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	ALL KVA	\$0.16 kWh		Internal Transmission	ALL KVA	\$0.14 kWh	
External Transmission				External Transmission			
Transmission Subtotals	N/A	\$0.00089 On Peak		Transmission Subtotals		\$0.00093 On Peak	
	\$0.21	\$0.00020 Off Peak				\$0.00024 Off Peak	
		\$0.00000 All				\$0.00457 All	
		\$0.00089 On Peak				\$0.00550 On Peak	
		\$0.00020 Off Peak				\$0.00481 Off Peak	
Distribution	\$3.94	\$0.01636 On Peak		Distribution	\$2.94	\$0.01218 On Peak	
Seabrook Amortization Surcharge		\$0.00369 Off Peak		Seabrook Amortization Surcharge		\$0.00275 Off Peak	
Conservation Charge	N/A	\$0.00710 All		Distribution Subtotals	\$0.00	\$0.00710 All	
	\$3.94	\$0.00154 All			\$2.94	\$0.01928 On Peak	
		\$0.02500 On Peak				\$0.00985 Off Peak	
		\$0.01233 Off Peak					
Access Charge	\$2.96	\$0.03169 On Peak		Energy Efficiency Charge		\$0.00285 All	
		\$0.02215 Off Peak		Renewable Resources Charge		\$0.00125 All	
Supplier Charges:				Transition Charge	\$3.29	\$0.01057 On Peak	
Generation Charge*						\$0.00000 Off Peak	
				Supplier Charges:			
				Generation Charge*			
						\$0.05371 All	
Totals	\$7.11	\$0.08558 On Peak		Totals	\$6.44	\$0.09316 On Peak	
		\$0.06268 Off Peak				\$0.07247 Off Peak	
Inflation Adjustment		6.50%					
Fuel Adjustment		\$0.01571 All					

1. Assumes a 71% monthly load factor and 43% On Peak Energy Usage

* Standard Offer Service

	Average Monthly kVA	Average On Peak kWh	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
	200	49,757	53,903	\$11,276.33	\$9,829.85	(\$1,446.48)	-12.8%
	400	99,514	107,806	\$22,552.50	\$19,659.56	(\$2,892.94)	-12.8%
	600	149,270	161,710	\$33,828.66	\$29,489.27	(\$4,339.39)	-12.8%
	800	199,027	215,613	\$45,104.82	\$39,318.97	(\$5,785.85)	-12.8%
	1,000	248,784	269,516	\$56,380.98	\$49,148.68	(\$7,232.30)	-12.8%
	1,500	373,176	404,274	\$84,571.39	\$73,722.95	(\$10,848.44)	-12.8%
	2,000	497,568	539,032	\$112,761.80	\$98,297.22	(\$14,464.57)	-12.8%
	2,500	621,960	673,790	\$140,952.20	\$122,871.49	(\$18,080.71)	-12.8%
	3,000	746,352	808,548	\$169,142.61	\$147,445.77	(\$21,696.84)	-12.8%

Benchmark Rates - Effective 8/1/97:			Proposed Rates effective 11/1/2000:		
G - 3			G - 3		
Delivery Charges:			Delivery Charges:		
Customer Charge			Customer Charge		
					\$0.14 kWh
Internal Transmission			Internal Transmission		
					All kVA \$0.00089 On Peak \$0.00020 Off Peak \$0.00000 All
External Transmission			External Transmission		
					\$0.00089 On Peak \$0.00020 Off Peak
Transmission Subtotals			Transmission Subtotals		
					\$0.00550 On Peak \$0.00481 Off Peak
Distribution			Distribution		
					\$0.01218 On Peak \$0.00275 Off Peak
Seabrook Amortization Surcharge			Seabrook Amortization Surcharge		
					\$0.00710 All
Conservation Charge			Distribution Subtotals		
					\$0.01928 On Peak \$0.00985 Off Peak
Access Charge			Energy Efficiency Charge		
					\$0.00285 All
			Renewable Resources Charge		
					\$0.00125 All
Supplier Charges:			Transition Charge		
Generation Charge*					\$3.29 On Peak \$0.00000 Off Peak
Totals			Supplier Charges:		
					\$0.05371 All
Inflation Adjustment			Generation Charge*		
					\$0.09316 On Peak \$0.07247 Off Peak
Fuel Adjustment			Totals		
					\$6.44

1. Assumes a 71% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-3 Rate Customers

Average Monthly kVA	Average On Peak kWh ¹	Average Off Peak kWh ¹	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
200	62,196	41,464	\$11,579.71	\$10,087.22	(\$1,492.49)	-12.9%
400	124,392	82,928	\$23,159.24	\$20,174.29	(\$2,984.95)	-12.9%
600	186,588	124,392	\$34,738.78	\$30,261.37	(\$4,477.41)	-12.9%
800	248,784	165,856	\$46,318.31	\$40,348.44	(\$5,969.87)	-12.9%
1,000	310,980	207,320	\$57,897.85	\$50,435.52	(\$7,462.33)	-12.9%
1,500	466,470	310,980	\$86,846.69	\$75,653.21	(\$11,193.49)	-12.9%
2,000	621,960	414,640	\$115,795.53	\$100,870.89	(\$14,924.64)	-12.9%
2,500	777,450	518,300	\$144,744.37	\$126,088.58	(\$18,655.79)	-12.9%
3,000	932,940	621,960	\$173,693.21	\$151,306.27	(\$22,386.94)	-12.9%

Benchmark Rates - Effective 8/1/97:				Proposed Rates effective 11/1/2000:			
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			
Internal Transmission	All KVA	\$0.16 kWh		Internal Transmission	All KVA	\$0.14 kWh	
External Transmission	\$0.21	\$0.00089 On Peak		External Transmission	\$0.21	\$0.00093 On Peak	
Transmission Subtotals	N/A	\$0.00020 Off Peak		Transmission Subtotals	\$0.00	\$0.00024 Off Peak	
	\$0.21	\$0.00000 All			\$0.21	\$0.00457 All	
Distribution	\$3.94	\$0.00089 On Peak		Distribution	\$2.94	\$0.00550 On Peak	
Seabrook Amortization Surcharge	N/A	\$0.01636 On Peak		Seabrook Amortization Surcharge	\$0.00	\$0.01218 On Peak	
Conservation Charge	\$3.94	\$0.00369 Off Peak		Distribution Subtotals	\$2.94	\$0.00275 Off Peak	
		\$0.00710 All				\$0.00710 All	
Access Charge	\$2.96	\$0.00154 All		Energy Efficiency Charge		\$0.01928 On Peak	
		\$0.02500 On Peak		Renewable Resources Charge		\$0.00985 Off Peak	
Supplier Charges:		\$0.01233 Off Peak		Transition Charge	\$3.29	\$0.00285 All	
Generation Charge*	N/A	\$0.03169 On Peak		Supplier Charges:		\$0.00125 All	
		\$0.02215 Off Peak		Generation Charge*		\$0.01057 On Peak	
Totals	\$7.11	\$0.02800 All		Totals	\$6.44	\$0.00000 Off Peak	
Inflation Adjustment		\$0.08558 On Peak				\$0.05371 All	
Fuel Adjustment		\$0.06268 Off Peak				\$0.09316 On Peak	
		6.50%				\$0.07247 Off Peak	
		\$0.01571 All					

1. Assumes a 71% monthly load factor and 60% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-4 Rate Customers

Average Monthly kW	On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
10	2,102	2,278	\$568.78	\$493.78	(\$74.99)	-13.2%
20	4,205	4,555	\$1,133.12	\$983.83	(\$149.30)	-13.2%
50	10,512	11,388	\$2,826.16	\$2,453.95	(\$372.20)	-13.2%
75	15,768	17,082	\$4,237.02	\$3,679.06	(\$557.96)	-13.2%
100	21,024	22,776	\$5,647.88	\$4,904.17	(\$743.72)	-13.2%
125	26,280	28,470	\$7,058.74	\$6,129.27	(\$929.47)	-13.2%
150	31,536	34,164	\$8,489.61	\$7,354.38	(\$1,115.23)	-13.2%

Benchmark Rates - Effective 8/1/97:				G - 4				Proposed Rates effective 11/1/2000:			
Delivery Charges:								Delivery Charges:			
Customer Charge				\$4.16				Customer Charge			
				kWh				kWh			
Internal Transmission	All kW	On Peak	\$0.00102	On Peak	\$0.00102	Internal Transmission	All kW	On Peak	\$0.00106		
		Off Peak	\$0.00022	Off Peak	\$0.00022			Off Peak	\$0.00026		
External Transmission Charge	N/A	All	\$0.00000	On Peak	\$0.00102	External Transmission Charge		All	\$0.00457		
Transmission Subtotals	\$0.35	Off Peak	\$0.00022	Off Peak	\$0.00022	Transmission Subtotals	\$0.35	On Peak	\$0.00563		
								Off Peak	\$0.00483		
Distribution	\$6.51	On Peak	\$0.01877	On Peak	\$0.01877	Distribution	\$6.48	On Peak	\$0.01867		
		Off Peak	\$0.00415	Off Peak	\$0.00415			Off Peak	\$0.00413		
Seabrook Amortization Surcharge	N/A	All	\$0.00932	All	\$0.00932	Seabrook Amortization Surcharge	\$0.00	All	\$0.00932		
Conservation Charge	N/A	All	\$0.00251	All	\$0.00251	Distribution Subtotals	\$6.48	On Peak	\$0.02799		
Distribution Subtotals	\$6.51	On Peak	\$0.03060	On Peak	\$0.03060			Off Peak	\$0.01345		
		Off Peak	\$0.01598	Off Peak	\$0.01598						
Access Charge	\$4.90	On Peak	\$0.03350	On Peak	\$0.03350	Energy Efficiency Charge		All	\$0.00285		
		Off Peak	\$0.02250	Off Peak	\$0.02250	Renewable Resources Charge		All	\$0.00125		
Supplier Charges:						Transition Charge	\$3.82	On Peak	\$0.00857		
Generation Charge*				All	\$0.02800			Off Peak	\$0.00000		
				On Peak	\$0.09312	Supplier Charges:					
Totals	\$11.76	Off Peak	\$0.06670	Off Peak	\$0.06670	Generation Charge*		All	\$0.05371		
Inflation Adjustment						Totals	\$10.65	On Peak	\$0.10000		
Fuel Adjustment				All	6.50%			Off Peak	\$0.07609		
					\$0.01571						

1. Assumes a 60% monthly load factor and 48% On Peak Energy Usage
* Standard Offer Service

	Average Monthly kWh	Benchmark Rates		Proposed Rates	Total Difference	% Total Difference
		Total Revenue	Total Revenue			
	100	\$14.24	\$12.33	(\$1.91)	-13.4%	
	200	\$28.31	\$24.53	(\$3.78)	-13.4%	
	300	\$42.37	\$36.72	(\$5.65)	-13.3%	
	400	\$56.44	\$48.91	(\$7.53)	-13.3%	
	500	\$70.51	\$61.11	(\$9.40)	-13.3%	
	750	\$105.68	\$91.59	(\$14.09)	-13.3%	
	1000	\$140.85	\$122.07	(\$18.78)	-13.3%	
	1500	\$211.19	\$183.04	(\$28.15)	-13.3%	
	2000	\$281.52	\$244.00	(\$37.52)	-13.3%	
	2500	\$351.86	\$304.97	(\$46.90)	-13.3%	

Benchmark Rates - Effective 8/1/97:	G - 5	Proposed Rates effective 11/1/2000:	G - 5
<u>Delivery Charges:</u>		<u>Delivery Charges:</u>	
Customer Charge	\$0.16	Customer Charge	\$0.14
	kWh		kWh
Internal Transmission	\$0.00182	Internal Transmission	\$0.00186
External Transmission	\$0.00000	External Transmission	<u>\$0.00457</u>
	\$0.00182	Transmission Subtotal	\$0.00643
Distribution	\$0.03356	Distribution	\$0.03547
Seabrook Amortization Surcharge	\$0.00932	Seabrook Amortization Surcharge	<u>\$0.00932</u>
Conservation Charge	\$0.00000		<u>\$0.04479</u>
	\$0.04288	Distribution Subtotal	
Access Charge	\$0.04464	Energy Efficiency Charge	\$0.00285
		Renewable Resources Charge	\$0.00125
		Transition Charge	\$0.01290
<u>Supplier Charges:</u>		<u>Supplier Charges:</u>	
Generation Charge*	\$0.02800	Generation Charge*	\$0.05371
Total	\$0.11734	Total	\$0.12193
Inflation Adjustment	6.50%		
Fuel Adjustment	\$0.01571		

*** Standard Offer Service**

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on G-6 Rate Customers

On Peak ¹ Monthly kWh	Off Peak ¹ Monthly kWh	Benchmark Rates Total Revenue	Proposed Rates Total Revenue	Total Difference	% Total Difference
25	25	\$18.81	\$16.06	(\$2.75)	-14.6%
50	50	\$25.74	\$22.08	(\$3.66)	-14.2%
100	100	\$39.59	\$34.12	(\$5.47)	-13.8%
150	150	\$53.44	\$46.15	(\$7.29)	-13.6%
200	200	\$67.30	\$58.19	(\$9.10)	-13.5%
250	250	\$81.15	\$70.23	(\$10.92)	-13.5%
375	375	\$115.78	\$100.33	(\$15.45)	-13.3%
500	500	\$150.41	\$130.42	(\$19.99)	-13.3%

Benchmark Rates - Effective 8/1/97:		G - 6		Proposed Rates effective 11/1/2000:		G - 6	
Delivery Charges:				Delivery Charges:			
Customer Charge				Customer Charge			\$10.04 kWh
Internal Transmission		On Peak	\$0.00301	Internal Transmission		On Peak	\$0.00305
External Transmission		Off Peak	\$0.00031	External Transmission		Off Peak	\$0.00035
		All	\$0.00000			All	\$0.00457
		On Peak Transmission Subtotal	\$0.00301			On Peak Transmission Subtotal	\$0.00762
		Off Peak Transmission Subtotal	\$0.00031			Off Peak Transmission Subtotal	\$0.00492
Distribution		On Peak	\$0.05556	Distribution		On Peak	\$0.06182
Seabrook Amortization Surcharge		Off Peak	\$0.00570	Seabrook Amortization Surcharge		Off Peak	\$0.00634
Conservation Charge		All	\$0.00932			All	\$0.00932
		All	\$0.00327			On Peak Distribution Subtotal	\$0.07114
		On Peak Distribution Subtotal	\$0.06815			Off Peak Distribution Subtotal	\$0.01566
		Off Peak Distribution Subtotal	\$0.01829				
Access Charge		On Peak	\$0.06121	Energy Efficiency Charge		All	\$0.00285
		Off Peak	\$0.02367	Renewable Resources Charge		All	\$0.00125
Supplier Charges:				Transition Charge		On Peak	\$0.02470
Generation Charge*		All	\$0.02800	Supplier Charges:		Off Peak	\$0.00110
				Generation Charge*		All	\$0.05371
Total On Peak			\$0.16037			Total On Peak	\$0.16127
Total On Peak			\$0.07027			Total On Peak	\$0.07949
Inflation Adjustment			6.50%				
Fuel Adjustment		All	\$0.01571				

1. Assumes a 50% On Peak Energy Usage
* Standard Offer Service

Fitchburg Gas and Electric Light Company
Typical Bill Analysis - using SOS Fuel Adjustment and 6 month surcharge
Impact on S Rate Customers

	<u>Lumens</u>	<u>Luminaire</u>	<u>Average Monthly kWh</u>	<u>Benchmark Rates Total Revenue</u>	<u>Proposed Rates Total Revenue</u>	<u>Total Difference</u>	<u>% Total Difference</u>
	<u>Mercury Vapor:</u>						
1	3,500	Residential and Commercial Type	39.3	\$11.22	\$9.62	(\$1.60)	-14.24%
2	7,000	Residential and Commercial Type	68.3	\$14.80	\$12.75	(\$2.05)	-13.84%
3	3,500	Street and Highway Type	39.3	\$11.22	\$9.62	(\$1.60)	-14.24%
4	7,000	Street and Highway Type	68.3	\$14.80	\$12.75	(\$2.05)	-13.84%
5	20,000	Street and Highway Type	157.3	\$30.04	\$25.96	(\$4.08)	-13.59%
6	60,000	Street and Highway Type	369	\$63.90	\$55.33	(\$8.58)	-13.42%
7	20,000	Flood Light Type	157.3	\$31.60	\$27.28	(\$4.33)	-13.70%
8	3,500	Power Bracket Included	39.3	\$11.56	\$9.91	(\$1.65)	-14.26%
9	7,000	Power Bracket Included	68.3	\$15.34	\$13.21	(\$2.13)	-13.89%
	<u>High Pressure Sodium:</u>						
10	3,300	Residential and Commercial Type	21.3	\$8.51	\$7.27	(\$1.24)	-14.59%
11	9,500	Residential and Commercial Type	43	\$11.80	\$10.13	(\$1.67)	-14.15%
12	3,300	Street and Highway Type	21.3	\$8.51	\$7.27	(\$1.24)	-14.59%
13	9,500	Street and Highway Type	43	\$11.80	\$10.13	(\$1.67)	-14.15%
14	20,000	Street and Highway Type	108	\$21.78	\$18.80	(\$2.98)	-13.69%
15	50,000	Street and Highway Type	172.3	\$32.74	\$28.29	(\$4.45)	-13.60%
16	140,000	Street and Highway Type	403.8	\$71.97	\$62.27	(\$9.71)	-13.49%
17	50,000	Flood Light Type	172.3	\$35.36	\$30.51	(\$4.85)	-13.72%
	<u>Ornamental Lighting:</u>						
18	3,300	Street and Highway Type	21.3	\$7.22	\$6.18	(\$1.04)	-14.45%

Benchmark Rates - Effective 8/1/97:

	\$
<u>Delivery Charges:</u>	
Customer Charge	\$0.00
	kWh
Internal Transmission	(\$0.00002)
External Transmission	\$0.00000
Transmission Subtotal	(\$0.00002)
Distribution	(\$0.00035)
Seabrook Amortization Surcharge	\$0.00766
Conservation Charge	\$0.00000
Distribution Subtotal	\$0.00731
Transition Charge	\$0.01910
<u>Supplier Charges:</u>	
Generation Charge*	\$0.02800
Total	\$0.05439
Inflation Adjustment	6.50%
Fuel Adjustment	\$0.01571

* Standard Offer Service

Proposed Rates effective 11/1/2000:

	\$
<u>Delivery Charges:</u>	
Customer Charge	\$0.00
	kWh
Internal Transmission	\$0.00004
External Transmission	\$0.00457
Transmission Subtotal	\$0.00461
Distribution	\$0.00059
Seabrook Amortization Surcharge	\$0.00766
Distribution Subtotal	\$0.00825
Energy Efficiency Charge	\$0.00285
Renewable Resources Charge	\$0.00125
Transition Charge	\$0.01290
<u>Supplier Charges:</u>	
Generation Charge*	\$0.05371
Total	\$0.08357

<u>Luminaire Charges:</u>	<u>Internal Transmission</u>	<u>Distribution</u>	<u>Access Charge- Base Component</u>	<u>Total</u>	<u>Internal Transmission</u>	<u>Distribution</u>	<u>Transition Charge- Power Supply</u>	<u>Total</u>
1	\$0.23	\$4.33	\$3.26	\$7.82	\$0.23	\$6.11	\$0.00	\$6.34
2	\$0.27	\$5.08	\$3.82	\$9.17	\$0.27	\$6.77	\$0.00	\$7.04
3	\$0.23	\$4.33	\$3.26	\$7.82	\$0.23	\$6.11	\$0.00	\$6.34
4	\$0.27	\$5.08	\$3.82	\$9.17	\$0.27	\$6.77	\$0.00	\$7.04
5	\$0.52	\$9.59	\$7.22	\$17.33	\$0.52	\$12.29	\$0.00	\$12.81
6	\$1.03	\$19.09	\$14.37	\$34.49	\$1.02	\$23.47	\$0.00	\$24.49
7	\$0.56	\$10.41	\$7.83	\$18.80	\$0.56	\$13.57	\$0.00	\$14.13
8	\$0.24	\$4.51	\$3.39	\$8.14	\$0.24	\$6.39	\$0.00	\$6.63
9	\$0.29	\$5.36	\$4.03	\$9.68	\$0.29	\$7.21	\$0.00	\$7.50
10	\$0.20	\$3.60	\$2.72	\$6.52	\$0.20	\$5.29	\$0.00	\$5.49
11	\$0.24	\$4.49	\$3.38	\$8.11	\$0.24	\$6.30	\$0.00	\$6.54
12	\$0.20	\$3.60	\$2.72	\$6.52	\$0.20	\$5.29	\$0.00	\$5.49
13	\$0.24	\$4.49	\$3.38	\$8.11	\$0.24	\$6.30	\$0.00	\$6.54
14	\$0.39	\$7.18	\$5.41	\$12.98	\$0.39	\$9.38	\$0.00	\$9.77
15	\$0.56	\$10.42	\$7.85	\$18.83	\$0.56	\$13.33	\$0.00	\$13.89
16	\$1.19	\$21.94	\$16.53	\$39.66	\$1.18	\$27.34	\$0.00	\$28.52
17	\$0.64	\$11.78	\$8.87	\$21.29	\$0.64	\$15.47	\$0.00	\$16.11
18	\$0.16	\$2.94	\$2.21	\$5.31	\$0.16	\$4.24	\$0.00	\$4.40

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the DOER's First Set of Information Requests

Request No.: DTE-DOER-1

Please clarify what Fitchburg proposes as a Default Service price for the interim period between the period when the fuel adjustment is implemented and the Default Service is priced in accordance with its Request for Proposals for Default Service in DTE 99-60.

Response:

FG&E proposes that the Default Service rate be priced equal to the Standard Offer Service rate plus the fuel adjustment and any surcharges to collect prior under-recoveries associated with the fuel adjustment. In this way, customers receiving generation service from either Standard Offer or Default would receive the same bill impact. This is in accordance with the final order in DTE 97-115/98-120 issued on January 15, 1999 in which the Department ordered that Standard Offer and Default Service be priced equally.

By keeping the two services priced equally, customers will continue to receive the same price signals. It will avoid any confusion which could lead to customers opting for Default Service as a lower priced alternative to Standard Offer Service, and then not being allowed to return to Standard Offer Service if it becomes the lower priced option.

Person Responsible: Karen M. Asbury

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the DOER's First Set of Information Requests

Request No.: DTE-DOER-2

The company's proposal will lead to monthly fluctuations in Standard Offer pricing. Is there a fixed price option or a more stable Standard Offer pricing methodology that would reduce monthly fluctuations in Standard Offer Pricing? Has the Company considered any such options? If so, what are they?

Response:

In its August 1, 2000 proposal, the Company filed its rate in accordance with the methodology outlined in its approved tariff for Standard Offer Service, M.D.T.E. No. 44, which called for monthly changes in the Standard Offer Service price. The Company recognizes, however, that the use of a monthly adjustment would cause pricing variations that could confuse customers. Customers and suppliers would prefer a stable price to compare against in the competitive market. Other pricing options to reduce or eliminate monthly fluctuations in Standard Offer Service pricing include pricing the Standard Offer Service Fuel Adjustment on a quarterly, semi-annual, or even annual basis.

The Company would not be opposed to such a "fixed" rate. The Company notes concern, however, for forecasting the indices used in the fuel adjustment calculation for a period longer than six months.

If a fixed rate approach is employed, the Company believes it would be necessary to track the revenues received versus the cost for each month and calculate additional interest due Constellation. Using a variable monthly adjustment, an interest calculation would not be required since Constellation would receive the monthly revenues received by the Company promptly.

Person Responsible: Karen M. Asbury

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the Attorney General's First Set of Information Requests

Request No.: DTE-AG-1

What is the Company's current proposal regarding recovery of the fuel adjustment costs, given that the September implementation date has passed?

Response:

This question was answered orally in the technical session on September 27, 2000 and a handout was included at that time. Attachment DTE-AG-1 was provided during the technical session and was marked accordingly. This attachment provides an approximate calculation of the Company's Standard Offer Service Fuel Adjustment rate under its revised proposal. This revised proposal eliminates the three (3) month lag proposed in the Company's August 1 filing, reducing it to a single month lag. In addition, the proposal includes a surcharge to recover the current under-recoveries in the fuel adjustment, with interest, on a going forward basis.

To recap, the Company proposes that its monthly fuel adjustment become effective on November 1, 2000. The Company would calculate the fuel adjustment using data through October, 2000. Attachment DTE AG-1 provides an estimate of the November 1 fuel adjustment using estimated figures for September and October, from Attachment DTE-1-1.

In addition, the Company has proposed a surcharge to its fuel adjustment to collect the under-recoveries, with interest, for the period April through September 2000. This surcharge would be in effect for a period of either 6 months from November 1, 2000 to April 30, 2001 or 12 months, until October 31, 2001. The Company has included the estimated 6-month recovery surcharge in its bill comparisons in response to DTE-2-1. The Company will submit final figures for effect on November 1, 2000 as soon as the final figures for October are available and upon final decision by the Department on the fuel adjustment recovery process.

Person Responsible: Karen M. Asbury

**Fitchburg Gas and Electric Light Company
Calculation of Standard Offer Service Fuel Adjustment Surcharge
and Retail Standard Offer Service Rate proposal**

1. Standard Offer Service Projected Under-recoveries April 2000 - September 2000	\$1,196,421
2. Estimated kWh Sales November 2000 - April 2001	227,797,890
3. Estimated 6 month recovery rate for Fuel Adjustment surcharge	\$0.00525
4. Estimated kWh Sales November 2000 - October 2001	450,504,904
5. Estimated 12 month recovery rate for Fuel Adjustment surcharge	\$0.00266
6. Base Standard Offer Service Price	\$0.03800
7. Proposed Standard Offer Service Fuel Adjustment effective November 1, 2000	\$0.01046
8. Proposed SOS + SOSFA + 6 month Surcharge	\$0.05371
9. Proposed SOS + SOSFA + 12 month Surcharge	\$0.05112

Source:

1. Information Request DTE 1-2, Attachment DTE 1-2, page 1, line 16
2. Information Request DTE 1-2, Attachment DTE 1-2, page 1, line 1, assumes 2001 SOSFA kWh sales equal to 2000 SOSFA kWh sales
3. Line 1 divided by line 2
4. Information Request DTE 1-2, Attachment DTE 1-2, page 1, line 1, assumes 2001 SOSFA kWh sales equal to 2000 SOSFA kWh sales
5. Line 1 divided by line 4
6. M.D.T.E. No. 44
7. Information Request DTE 1-1, Attachment DTE 1-1, page 1, October data used for November
8. Line 3 + line 6 + line 7
9. Line 5 + line 6 + line 7

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the Attorney General's First Set of Information Requests

Request No.: DTE-AG-2

Please provide a copy of the page of the Constellation Agreement which lists the fuel adjustment provision.

Response:

A copy of the page with the fuel adjustment provision in the Company's agreement with Constellation Power Source, Inc. for Standard Offer Service is included here as Attachment DTE-AG-2 (this supplements handout DTE-AG-2 provided in the September 27, 2000 technical session).

Person Responsible: David K. Foote

ARTICLE 5. PRICE AND BILLING**Section 5.1 Price**

For each kilowatt hour of Standard Transition Service Power that Seller delivers to the Delivery Points in each year, as determined in accordance with ARTICLE 6, SECTION 6.3, below, the Company shall pay Seller a price, in cents per kilowatt hour, equal to the following amounts for the applicable Contract Period:

Contract Period	Cents per kWh
1999	3.5 cents
2000	3.8 cents
2001	3.8 cents
2002	4.2 cents
2003	4.7 cents
2004-05	5.1 cents

In addition, in the event of substantial increases in the market prices of No. 6 residual fuel oil (1% sulphur) and natural gas after 1999 as described in Appendix 4, incremental revenues received by the Company as a result of the Company's Customer Rate Standard Transition Service Fuel Adjustment described in Appendix 4, attached and incorporated herein by reference, will be fully allocated to the Seller. The Company shall pay to Seller 100% of such incremental revenues.

Section 5.2 Payment

- (a) On or before the tenth (10th) day of each month during the term of this Agreement, the Company shall calculate the amount due and payable to Seller pursuant to this ARTICLE 5 with respect to the preceding month. The calculation shall be provided to Seller and shall show the total amount due and payable for the previous month pursuant to this ARTICLE 5. The amount payable shall be calculated by multiplying the Price specified in the first paragraph of ARTICLE 5 SECTION 5.1, above, for the applicable Contract Period times the quantity of Standard Transition Service Power delivered by Seller to the Delivery Point for the Company's Standard Transition Service customers in the month, as determined in accordance with ARTICLE 6, SECTION 6.3, below. Because quantities determined under SECTION 6.3 are estimated, and subject to a reconciliation process described in SECTION 6.3(d), quantities used in calculations under this paragraph (a) shall be subject to adjustment, whether positive or negative, in subsequent months' calculations, to reflect that reconciliation process, and any adjusted quantities shall be applied to the Price applicable during the month of the calculation being adjusted. Any Customer Rate Standard Transition Service Fuel Adjustment incremental revenue shall be added to such amount.
- (b) The Company shall pay Seller any amounts due and payable on or before the twenty-fifth (25th) day of the month (or on the next business day if the 25th day of the month falls on a holiday) in which a calculation is made pursuant to paragraph (a). If all or any part of

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No.: DTE 00-66
Responses to the Attorney General's First Set of Information Requests

Request No.: DTE-AG-3

Please provide copies of all Constellation invoices for power purchased by the Company since March 1, 1998. Annotate these invoices with the date and the amount paid, as well as, the kWh supplied to Standard Offer customers.

Response:

The requested invoices are included here as attachment DTE-AG-3. Constellation began providing Standard Offer Service on March 1, 1999. As a point of clarification, the kWh sales figures provide here are on a calendar month basis and will differ from the kWh sales figures in Attachment DTE-1-2, since those are billing cycle kWh sales.

The table below shows the month of service, kWh supplied, date and amount paid.

	kWh	Date Paid	Amount Paid
Mar-99	36,369,427	4/26/99	\$ 1,272,929.95
Apr-99	32,658,369	5/25/99	\$ 1,143,042.92
May-99	39,163,025	6/26/99	\$ 1,370,705.89
Jun-99	44,589,115	7/23/99	\$ 1,560,619.05
Jul-99	45,629,185	8/25/99	\$ 1,597,021.47
Aug-99	41,621,052	9/24/99	\$ 1,456,736.84
Sep-99	36,846,556	10/25/99	\$ 1,289,629.48
Oct-99	36,138,993	11/24/99	\$ 1,264,864.75
Nov-99	35,821,664	12/23/99	\$ 1,253,758.25
Dec-99	39,120,618	1/25/00	\$ 1,369,221.63
Jan-00	43,801,997	2/25/00	\$ 1,533,069.90
Feb-00	37,535,838	3/24/00	\$ 1,558,160.36
Mar-00	37,362,598	4/25/00	\$ 1,419,778.72
Apr-00	34,224,770	5/25/00	\$ 1,290,925.67
May-00	35,199,483	6/23/00	\$ 1,337,580.34
Jun-00	37,454,000	7/25/00	\$ 1,423,252.01
Jul-00	36,046,639	8/25/00	\$ 1,369,772.30
Aug-00	39,132,801	9/25/00	\$ 1,485,809.34

Person Responsible: David K. Foote

Unitil

Fitchburg Gas and
Electric Light Company

*Wired
April 26, 1999
JH MLD # 2799*

CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

- REVISED STATEMENT -

**PLEASE NOTE: THIS IS NOT A BILL, RATHER A STATEMENT OF FUNDS DUE TO CONSTELLATION

ORIGINAL STATEMENT DATE: APRIL 9, 1999
REVISED STATEMENT DATE: APRIL 14, 1999

SALES PERIOD: MARCH 1999

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 36,369,427

PRICE PER KWH: \$ 0.035

TOTAL AMOUNT DUE from FG&E to CONSTELLATION:	\$1,272,929.95
--	----------------

PAYMENT DUE DATE: APRIL 26, 1999

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: ROBERT FURINO
SENIOR TRADING ANALYST
TELEPHONE: (603) 773-6452

NOTE: SUPPORTING DOCUMENTATION ATTACHED. CALCULATIONS INCLUDE ESTIMATED VALUES SUBJECT TO RECONCILIATION AS PART OF FUTURE BILLING STATEMENTS. PLEASE CALL WITH ANY QUESTIONS.

2631

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Payment Request

TO: ACCOUNTS PAYABLE

Please prepare a wire to:

PAYEE: Constellation
Constellation Power Source

EXPLANATION: Standard Transition Service
PURCHASED POWER **MONTH OF:** Mar-99

DATE REQUIRED: 4/26/99

TOTAL AMOUNT: \$1,272,929.95

<<<<<<<ACCOUNTING DISTRIBUTION>>>>>>>

UNIT	COMPONENT	ACCOUNT	AMOUNT	KWH
STS	CAPACITY		\$0.00	
	ENERGY	555-65-00	\$1,272,929.95	36,369,427

SUBMITTED BY: *Mich M* 4/23/99
Signature required

APPROVED BY: *Lk Pate* 4-26-99
Signature required

[ATTACH ALL PERTINENT SUPPORTING DOCUMENTATION]



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

****PLEASE NOTE: THIS IS NOT A BILL, RATHER A STATEMENT OF FUNDS DUE TO CONSTELLATION**

STATEMENT DATE: 4-May-99

SALES PERIOD: APRIL 1999

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 32,658,369

PRICE PER KWH: \$ 0.035

TOTAL AMOUNT DUE <i>from</i> FG&E <i>to</i> CONSTELLATION:	\$1,143,042.92
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PAYMENT DUE DATE: 25-May-99

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
ENERGY ANALYST
TELEPHONE: (603) 773-6438

NOTE: SUPPORTING DOCUMENTATION ATTACHED. CALCULATIONS INCLUDE ESTIMATED VALUES SUBJECT TO RECONCILIATION AS PART OF FUTURE BILLING STATEMENTS. PLEASE CALL WITH ANY QUESTIONS.

2651



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

****PLEASE NOTE: THIS IS NOT A BILL, RATHER A STATEMENT OF FUNDS DUE TO CONSTELLATION**

STATEMENT DATE: 4-May-99

SALES PERIOD: APRIL 1999

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 32,658,369

PRICE PER KWH: \$ 0.035

TOTAL AMOUNT DUE from FG&E to CONSTELLATION:	\$1,143,042.92
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PAYMENT DUE DATE:

25-May-99

MLD # 866

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
ENERGY ANALYST
TELEPHONE: (603) 773-6438

NOTE: SUPPORTING DOCUMENTATION ATTACHED. CALCULATIONS INCLUDE ESTIMATED VALUES SUBJECT TO RECONCILIATION AS PART OF FUTURE BILLING STATEMENTS. PLEASE CALL WITH ANY QUESTIONS.



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 3-Jun-99

SALES PERIOD: May-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	36,161,606
---	------------

SPECIAL CONTRACT CUSTOMER RECLASSIFICATION ADJUSTMENT (KWH)	3,001,419
TOTAL SOS KWH	39,163,025

RETAIL PRICE PER KWH:	\$ 0.035
TOTAL SOS	\$1,370,705.89

RECLASSIFICATION ADJUSTMENT*	\$ 87,884.778
TOTAL DUE TO CONSTELLATION	\$1,282,821.11

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
ENERGY ANALYST
TELEPHONE: (603) 773-6438

* NOTE: The reclassification adjustment compensates Fitchburgh Gas and Electric Light Company for
energy it provided to the SOS customers who were not included in the SOS load estimation until 5/20/99.
See the MAY99-Adjustment tab for details on the load and the cost per MWH.

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Payment Request

TO: ACCOUNTS PAYABLE

Please prepare a wire to:

PAYEE: Constellation
Constellation Power Source

EXPLANATION: Standard Transition Service
PURCHASED POWER **MONTH OF:** May-99

DATE REQUIRED: 6/25/99

TOTAL AMOUNT: \$1,282,821.11

<<<<<<<<ACCOUNTING DISTRIBUTION>>>>>>>>

UNIT	COMPONENT	ACCOUNT	AMOUNT	KWH
STS	CAPACITY		\$0.00	
	ENERGY	555-65-00	\$1,282,821.11 *	39,163,025

* includes adj of 3,001,419/kwh for special contracts

SUBMITTED BY: Michael M. 6/9/99
Signature required

APPROVED BY: DK Zade 6-9-99
Signature required

[ATTACH ALL PERTINENT SUPPORTING DOCUMENTATION]



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 6-Jul-99

SALES PERIOD: Jun-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	43,153,000
PRIOR MONTH ADJ. (KWH)	1,436,115
RETAIL PRICE PER KWH:	\$ 0.035
TOTAL DUE TO CONSTELLATION	\$1,560,619.05

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
ENERGY ANALYST
TELEPHONE: (603) 773-6438

FITCHBURG GAS AND ELECTRIC LIGHT COMPANY
Payment Request

TO: ACCOUNTS PAYABLE

Please prepare a wire to:

Mid 1099

PAYEE: Constellation
Constellation Power Source

EXPLANATION: Standard Transition Service
PURCHASED POWER

MONTH OF: Jun-99

DATE REQUIRED: 7/23/99

TOTAL AMOUNT: \$1,560,619.05

<<<<<<<ACCOUNTING DISTRIBUTION>>>>>>>

UNIT	COMPONENT	ACCOUNT	AMOUNT	KWH
STS	CAPACITY		\$0.00	
	ENERGY	555-65-00	\$1,560,619.05 *	44,589,115

* includes adj of 1,436,115/kwh for prior month

SUBMITTED BY:

Clw 7/8/99 mchm mch 7/9/99
Signature required

APPROVED BY:

AK Zeke 7-12-99
Signature required

[ATTACH ALL PERTINENT SUPPORTING DOCUMENTATION]



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 4-Aug-99

SALES PERIOD: Jul-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 45,629,185

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH: \$ 0.035

TOTAL DUE TO CONSTELLATION \$1,597,021.47

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
ENERGY ANALYST
TELEPHONE: (603) 773-6438

Wire

Attachment DTE-AG-3

Page 10

Req ID: 2391

Wire Check Processing - FGE

Due: 8/25/99

Requested By: ENTERLINE

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

FOOTE

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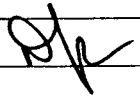

Special Instructions:

MJD
985

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
	STS bill for July 99	8/25/99	.1,597,021.470	EA	1	\$1,597,021.47

Total: \$1,597,021.47

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1597021.47	20-29-13-09-555-65-00		45629185	CONSTELLATION
	1597021.47				

Vouchered by: 	Voucher Month: Aug 99
PrePaid Check#:	Batch#: 5635 5642
Approved By: 	Return Check To: Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 2-Sep-99

SALES PERIOD: August-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	38,738,605
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PRIOR MONTH ADJ. (KWH)	2,882,447
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RETAIL PRICE PER KWH:	\$ 0.035
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TOTAL DUE TO CONSTELLATION	\$1,456,736.84
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PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON:	DAVE DAUPHINAIS ENERGY ANALYST TELEPHONE: (603) 773-6444
-----------------	--

Wire

Wire Check Processing - FGE

Due: 9/25/99

Requested By: DAUPHINAIS

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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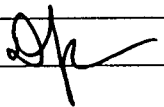
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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
	STS bill for August 99	9/25/99	1,456,736.840	EA	1	\$1,456,736.84

Total: \$1,456,736.84

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1456736.84	20-29-13-09-555-65-00		41621052	CONSTELLATION
	1456736.84				

Wire Transfer #: 7734	Date Transferred: Sept. 24, 1999
Vouchered by: 	Voucher Month: 9/99
PrePaid Check#:	Batch#: 5671
Approved By: WW	Return Check To: Payee

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CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 04-Oct-99

SALES PERIOD: September-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 36,988,653

PRIOR MONTH ADJ. (KWH) -142,097

RETAIL PRICE PER KWH: \$ 0.035

TOTAL DUE TO CONSTELLATION \$ 1,289,629.48

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DAVE DAUPHINAIS
ENERGY ANALYST
TELEPHONE: (603) 773-6444

Peak = 69.379 @ 9/9 - 1500



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 4-Nov-99
SALES PERIOD: October-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	36,138,993
PRIOR MONTH ADJ. (KWH)	0
RETAIL PRICE PER KWH:	\$ 0.035
TOTAL DUE TO CONSTELLATION	\$1,264,864.75

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DAVE DAUPHINAIS
ENERGY ANALYST
TELEPHONE: (603) 773-6444

Wire

Attachment DTE-AG-3

Page 15

Req ID: 4758

Wire Check Processing - FGE

Due: 11/25/99

24

Requested By: DAUPHINAIS

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
1099	STS bill for October 99	11/25/99	1,264,864.750	EA	1	\$1,264,864.75

Total: \$1,264,864.75

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1264864.75	20-29-13-09-555-65-00		36138993	CONSTELLATION
	1264864.75				

Wire Transfer #:	1047	Date Transferred:	November 24, 1999
Vouchered by:	AP	Voucher Month:	NOV 99
PrePaid Check#:		Batch#:	5734
Approved By:	WW	Return Check To:	Payee

12/23/99



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: 2-Dec-99

SALES PERIOD: November-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 35,821,664

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH: \$ 0.035

TOTAL DUE TO CONSTELLATION \$1,253,758.25

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DAVE DAUPHINAIS
ENERGY ANALYST
TELEPHONE: (603) 773-6444

Wire

Attachment DTE-AG-3

Page 17

Req ID: 5616

Wire Check Processing - FGE

Due: 11/25/99

Requested By: DAUPHINAIS

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
1199	STS bill for November 99	11/25/99	1,253,758.250	EA	1	\$1,253,758.25

Total: \$1,253,758.25

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1253758.25	20-29-13-09-555-65-00		35821664	CONSTELLATION
	1253758.25				

Wire Transfer #:	1008	Date Transferred:	December 23, 1999
Vouchered by:	Op	Voucher Month:	Dec 99
PrePaid Check#:		Batch#:	5771
Approved By:	WID	Return Check To:	Payee

1/25



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: January 7, 2000

SALES PERIOD: December-99

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 39,120,618

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH: \$ 0.035

TOTAL DUE TO CONSTELLATION \$ 1,369,221.63

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DAVE DAUPHINAIS
ENERGY ANALYST
TELEPHONE: (603) 773-6444

Wire

Attachment DTE-AG-3

Page 19

Req ID: 7118

Wire Check Processing - FGE

Due: 11/25/99

Requested By: DAUPHINAIS

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
1299	STS bill for December 99	11/25/99	1,369,221.630	EA	1	\$1,369,221.63

Total : \$1,369,221.63

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1369221.63	20-29-13-09-555-65-00		39120618	CONSTELLATION
	1369221.63				

Wire Transfer #:	982	Date Transferred:	January 25, 2000
Vouchered by:	BK	Voucher Month:	Jan-00
PrePaid Check#:		Batch#:	5794
Approved By:	WW	Return Check To:	Payee

Tuesday, January 11, 2000

Page 2 of 3



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: February 7, 2000

SALES PERIOD: January-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	43,801,997
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PRIOR MONTH ADJ. (KWH)	0
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RETAIL PRICE PER KWH:	\$ 0.035
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TOTAL DUE TO CONSTELLATION	\$ 1,533,069.90
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PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON:	DILEEP PRABHAKAR SR. ENERGY TRADER TELEPHONE: (603) 773-6417
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Wire

Req ID: 8211

Wire Check Processing - FGE

Due: 2/25/00

Requested By: enterline

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
01 2000	January 2000 SOS bill.	2/25/00	1,533,069.900	EA	1	\$1,533,069.90

Total : \$1,533,069.90

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1533069.90	20-29-13-09-555-65-00		43801997	CONSTELLATION
	1533069.90				

Wire Transfer #:	1220	Date Transferred:	February 25, 2000
Vouchered by:	PP	Voucher Month:	Feb 00
PrePaid Check#:		Batch#:	5816
Approved By:	WW	Return Check To:	Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: March 6th, 2000

SALES PERIOD: February-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	37,666,679
RETAIL PRICE PER KWH:	\$ 0.038
TOTAL	\$ 1,431,333.80
PRIOR MONTH ADJ. (KWH)	-130,841
RETAIL PRICE PER KWH (1999)	\$ 0.035
TOTAL PRIOR MONTH ADJUSTMENT	\$ (4,579.43)
JANUARY 2000 ADJUSTMENT [1]	\$ 131,405.99
TOTAL DUE TO CONSTELLATION	\$ 1,558,160.36

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DILEEP PRABHAKAR
SR. ENERGY TRADER
TELEPHONE: (603) 773-6417

[1] The January 2000 bill used a retail price of \$0.035 instead of the correct price of \$0.038.
This adjustment is the product of the kwh on the January bill and the difference between the two retail prices.
 $(43,801,997 \text{ kwh} * 0.003 \text{ \$/kwh}) = \$131,405.99$

Wire

Wire Check Processing - FGE

Req ID: 9154

Due: 3/25/00

Requested By: ENTERLINE

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
02 2000	SOS bill to FGE from Constellation Power	3/25/00 RH	1,558,160.360	EA	1	\$1,558,160.36

Total : \$1,558,160.36

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1558160.36	20-29-13-09-555-65-00		37535838	CONSTELLATION
	1558160.36				

Wire Transfer #:	1145	Date Transferred:	March 24, 2000
Vouchered by:	Df	Voucher Month:	March 00
PrePaid Check#:		Batch#:	5834
Approved By:	WD	Return Check To:	Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: April 7th, 2000

SALES PERIOD: March-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 37,362,598

RETAIL PRICE PER KWH: \$ 0.038

TOTAL \$ 1,419,778.72

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH (2000) \$ 0.038

TOTAL PRIOR MONTH ADJUSTMENT \$ -

TOTAL DUE TO CONSTELLATION \$ 1,419,778.72

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DILEEP PRABHAKAR
SR. ENERGY TRADER
TELEPHONE: (603) 773-6417

Wire

Wire Check Processing - FGE
Due: 4/25/00

Req ID: 10367

Requested By: prabhakar

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

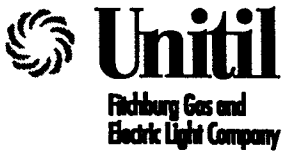
<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
032000SOS	SOS bill to FGE from Constellation Power	4/25/00	1,419,778.720	EA	1	\$1,419,778.72

Total: \$1,419,778.72

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1419778.72	20-29-13-09-555-65-00		37362598	CONSTELLATION SOS
	1419778.72				

Wire Transfer #: 988
Vouchered by: [Signature]
PrePaid Check#:
Approved By: [Signature]

Date Transferred: April 25, 2000
Voucher Month: April 00
Batch#: 5875
Return Check To: Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: May 11, 2000

SALES PERIOD: April-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH):	33,941,570
RETAIL PRICE PER KWH:	\$ 0.038
TOTAL	\$ 1,289,779.66
PRIOR MONTH ADJ. (KWH)	0
RETAIL PRICE PER KWH (2000)	\$ 0.038
TOTAL PRIOR MONTH ADJUSTMENT	\$ -
ADJ FOR COMMERCIAL CUSTOMER (KWH)*	283,200
NET ADJ FOR COMMERCIAL CUSTOMER (\$)*	\$ 1,489.24
ADJ FOR LOAD ESTIMATION**	\$ (343.23)
TOTAL DUE TO CONSTELLATION	\$ 1,290,925.66

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: SHAWN ENTERLINE
SR. ENERGY ANALYST
TELEPHONE: (603) 773-6438

* A Commercial Customer was incorrectly assigned to a competitive supplier from 9/99 - 3/00, and is being retroactively assigned to Standard Service. See adjustment for details.

** The load estimations for hour ending 3 on 4/1 and 4/4 were too low because they were treated like daylight savings time estimates. The error caused FG&E to serve the load in their unmetered load asset. An adjustment at the ECP in those hours has been made.
 $(34.3887 - 0.06575) * 10 \text{ \$/MWH} = \$343.23$

Wire

Wire Check Processing - FGE

Req ID: 11298

Due: 5/25/00

Requested By: ENTERLINE

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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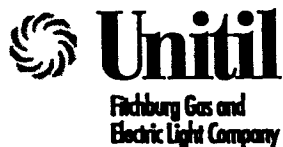
Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
0400	SOS Bill	5/25/00	1,290,925.660	EA	1	\$1,290,925.66

Total: \$1,290,925.66

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1290925.66	20-29-13-09-555-65-00		33941570	CONSTELLATION SOS
	1290925.66				

Wire Transfer #:	1429	Date Transferred:	May 25, 2000
Vouchered by:	[Signature]	Voucher Month:	May-00
PrePaid Check#:		Batch#:	5907
Approved By:	WW	Return Check To:	Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: June 15, 2000

SALES PERIOD: May-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 35,199,483

RETAIL PRICE PER KWH: \$ 0.038

TOTAL \$ 1,337,580.34

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH (2000) \$ 0.038

TOTAL PRIOR MONTH ADJUSTMENT 0

ADJ FOR LOAD ESTIMATION** 0

TOTAL DUE TO CONSTELLATION \$ 1,337,580.34

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON:

Dileep Prabhakar
SR. ENERGY Trader
TELEPHONE: (603) 773-6417

Wire

Wire Check Processing - FGE

Req ID: 12342

Due: 6/25/00

Requested By: prabhakar

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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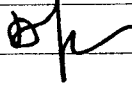

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
	SOS Bill	6/25/00	1,337,580.340	EA	1	\$1,337,580.34

Total : \$1,337,580.34

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1337580.34	20-29-13-09-555-65-00		35199483	CONSTELLATION SOS
	1337580.34				

Wire Transfer #: 1053	Date Transferred: June 23, 2000
Vouchered by: 	Voucher Month: June -00
PrePaid Check#:	Batch#: 5924
Approved By: 	Return Check To: Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: July 15, 2000

SALES PERIOD: June-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 37,454,000

RETAIL PRICE PER KWH:	\$ 0.038
TOTAL	\$ 1,423,252.01

PRIOR MONTH ADJ. (KWH)	0
RETAIL PRICE PER KWH (2000)	\$ 0.038
TOTAL PRIOR MONTH ADJUSTMENT	0

ADJ FOR LOAD ESTIMATION**	0
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TOTAL DUE TO CONSTELLATION	\$ 1,423,252.01
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PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: Dileep Prabhakar
SR. ENERGY Trader
TELEPHONE: (603) 773-6417

Wire

Wire Check Processing - FGE

Req ID: 13340

Due: 7/25/00

Requested By: prabhakar

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
	SOS Bill	7/25/00	1,423,252.010	EA	1	\$1,423,252.01

Total : \$1,423,252.01

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1423252.01	20-29-13-09-555-65-00		37454000	CONSTELLATION SOS
	1423252.01				

Wire Transfer #:	1046	Date Transferred:	July 25, 2000
Vouchered by:	[Signature]	Voucher Month:	July-00
PrePaid Check#:		Batch#:	5961
Approved By:	WW	Return Check To:	Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: August 16, 2000

SALES PERIOD: July-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH): 36,046,639

RETAIL PRICE PER KWH: \$ 0.038

TOTAL \$ 1,369,772.30

PRIOR MONTH ADJ. (KWH) 0

RETAIL PRICE PER KWH (2000) \$ 0.038

TOTAL PRIOR MONTH ADJUSTMENT 0

ADJ FOR LOAD ESTIMATION** 0

TOTAL DUE TO CONSTELLATION \$ 1,369,772.30

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING
DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: Dileep Prabhakar
SR. ENERGY Trader
TELEPHONE: (603) 773-6417

Wire

Req ID: 14191

Wire Check Processing - FGE

Due: 8/25/00

Requested By: prabhakar

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
SOS0700	SOS Bill	8/25/00	1,369,772.300	EA	1	\$1,369,772.30

Total: \$1,369,772.30

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1369772.30	20-29-13-09-555-65-00		36046639	CONSTELLATION SOS
	1369772.30				

Wire Transfer #:	1235	Date Transferred:	August 25, 2000
Vouchered by:	AP	Voucher Month:	Aug 00
PrePaid Check#:		Batch#:	5991
Approved By:	WJ	Return Check To:	Payee



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE:

September 15, 2000

SALES PERIOD:

August-00

STANDARD TRANSITION SERVICE POWER PROVIDED to FG&E (KWH) [1]:	37,987,120
RETAIL PRICE PER KWH:	\$ 0.038
TOTAL	\$ 1,443,510.55

PRIOR MONTH ADJ. (KWH)	0
RETAIL PRICE PER KWH (2000)	\$ 0.038
TOTAL PRIOR MONTH ADJUSTMENT	0

ADJ STD. TRANSITION SERVICE POWER KWH [2]	553,981
RETAIL PRICE PER KWH:	\$ 0.038
\$ ADJ FOR STD. TRANSITION SERVICE POWER \$	21,051.28

TOTAL DUE TO CONSTELLATION **\$ 1,464,561.83**

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON:

**DILEEP PRABHAKAR
SR. ENERGY TRADER
TELEPHONE: (603) 773-6417**

[1] Due to missing LERS reports on 8/3, 8/15, and 8/17, this number is subject to future adjustment.

[2] FG&E reported its system load incorrectly to Logica, which caused a low load estimate for default and SOS.
See the 'Adjustment' tab for details on adjustment calculation.



CONSTELLATION POWER SOURCE
ATTN: THOMAS MARLATT
111 MARKET PLACE
SUITE 500
BALTIMORE, MD 21202

STATEMENT DATE: September 15, 2000

SALES PERIOD: August-00

STANDARD TRANSITION SERVICE POWER SERVED BY FG&E (MWH) [1]:	591.70
WEIGHTED AVERAGE WHOLESALE PRICE [2] (\$/MWH)	\$ 35.91
TOTAL DUE TO FG&E	\$ 21,247.51

PAYMENT TERMS - TOTAL AMOUNT DUE TO CONSTELLATION ON OR BEFORE 25TH OF MONTH FOLLOWING DELIVERY OF SERVICE, OR ON NEXT BUSINESS DAY IF 25TH FALLS ON HOLIDAY OR WEEKEND.

CONTACT PERSON: DILEEP PRABHAKAR
SR. ENERGY TRADER
TELEPHONE: (603) 773-6417

[1] FG&E reported its system load incorrectly to Logica, which caused a low load estimate for default and SOS.
This resulted in FG&E serving a portion of the wholesale SOS load on 8/6/00.

See the 'Adjustment' tab for details on adjustment calculation.

[2] This calculation used hourly loads and hourly energy clearing prices.

Wire

Req ID: 15006

Wire Check Processing - FGE

Due: 9/25/99

Requested By: ENTERLINE

Supplier: CONSTELLATION POWER SOURCE

111 MARKET ST. SUITE 500

BALTIMORE, MD 21202

ID: CONSTELLATION

Approved By:

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Special Instructions:

<u>Invoice</u>	<u>Description</u>	<u>Date</u>	<u>Unit Price</u>	<u>U/I</u>	<u>Ordered</u>	<u>Total</u>
Aug-00	August 2000 SOS Bill to FG&E Net of adjustments.	9/25/99	1,443,314.330	EA	1	\$1,443,314.33

Total : \$1,443,314.33

<u>Distribution:</u>	<u>Amount</u>	<u>Account #</u>	<u>CWO</u>	<u>kWh</u>	<u>Description</u>
	1443314.33	20-29-13-09-555-65-00		37987120	CONSTELLATION SOS
	1443314.33				

Wire Transfer #: 1210	Date Transferred: <i>Two (2) invoices</i> September 25, 2000
Vouchered by:	Voucher Month:
PrePaid Check#:	Batch#:
Approved By:	Return Check To: Payee